MEETING NOTICE AND AGENDA

REGIONAL PLANNING TECHNICAL WORKING GROUP

The Regional Planning Technical Working Group (TWG) may take action on any item appearing on this agenda.

Thursday, November 13, 2008

12 noon to 3:30 p.m.

SANDAG, 7th Floor Conference Room
401 B Street, Suite 800
San Diego, CA 92101-4231

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AGENDA HIGHLIGHTS

• ANNUAL REVIEW OF AND PROPOSED AMENDMENTS TO BOARD POLICY NO. 33

• SERIES 12 REGIONAL GROWTH FORECAST – SPECIAL WORKSHOP

• TransNet SMART GROWTH INCENTIVE PROGRAM GUIDELINES

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+1. MEETING SUMMARIES

The Working Group should review and approve the Regional Planning Technical Working Group (TWG) meeting summaries:

1A. September 30, 2008
1B. October 9, 2008

2. WELCOME AND INTRODUCTIONS

3. PUBLIC COMMENTS AND COMMUNICATIONS

Members of the public will have the opportunity to address the Technical Working Group on any issue within the jurisdiction of the Working Group. Speakers are limited to three minutes each.

REPORTS

+4. ANNUAL REVIEW OF AND PROPOSED AMENDMENTS TO BOARD POLICY NO. 33: DISCUSSION OF CALCULATION OF INCENTIVE POINTS FOR FIVE FACTORS

On November, 7, 2008, the Regional Planning Committee (RPC) recommended that the SANDAG Board of Directors approve the proposed recommendations to Board Policy No. 33, but asked the TWG to work on the calculations of points for the five factors. The TWG is asked to make a recommendation on the methodology for this calculation to the SANDAG Executive Committee, which meets on Friday, November 13, 2008.

+5. SERIES 12 REGIONAL GROWTH FORECAST (Beth Jarosz)

In preparation for the next Regional Transportation Plan (RTP), SANDAG is beginning to update the existing regional growth forecast and prepare the new "Series 12" growth forecast. As part of the forecast process, staff is requesting input from each jurisdiction to ensure that the land use inputs to the forecast are updated accurately to reflect existing plans and policies. In addition, prior forecasting efforts have shown that the region will continue to grow beyond current general plan capacity. During this meeting, staff will describe the forecasting process and initiate the first phase of data collection of local land use inputs.
6. TransNet SMART GROWTH INCENTIVE PROGRAM GUIDELINES
(Stephan Vance)

The TransNet Smart Growth Incentive Program Ad Hoc Working Group has approved Draft Program Guidelines, to be released with the Call for Projects. The Draft Program Guidelines are provided for TWG review and comment.

7. ADJOURNMENT AND NEXT MEETING

The next TWG meeting will be held on December 11, 2008, from 1:15 - 3:15 p.m.

+ next to an agenda item indicates an attachment
Agenda Item #1: Welcome and Introductions

Self-introductions were conducted. Jon Brindle, City of Escondido, presided. Members of the Regional Housing Working Group were invited to the meeting and some members were in attendance.

Agenda Item #2: Public Comments and Communications

There were no public comments.

Agenda Item #3: Annual Review of Board Policy No. 033: Implementation Guidelines for SANDAG Regional Housing Needs Assessment (RHNA)

Susan Baldwin, SANDAG, distributed materials and gave a brief PowerPoint presentation on Board Policy 33. The review process to date, she explained, consisted of having brought this item to the Technical Working Group and the Housing Working Group. This special session will be followed by a Regional Planning Committee (RPC) meeting on Friday, October 3, during which the RPC will be briefed on the issues to help them make an informed recommendation in November.

Ms. Baldwin provided background on Policy 33. She explained that when the 2005-2010 Regional Housing Needs Assessment (RHNA) was approved by the Board of Directors, a Memorandum to gain consensus on RHNA income allocation also was approved. The Memorandum granted financial incentives to projects applying for SANDAG discretionary funding based on housing element status and affordable housing production. The main funding programs to which Policy 33 applies are: the Smart Growth Incentive Program and the Bike/Pedestrian Program. Policy 33, which is subject to an annual review, was developed to implement the Memorandum and it was approved in April 2006.

The following principles from the Memorandum guided the preparation of the Policy:

1) Reward jurisdictions that provide more affordable housing
2) Award points to projects in jurisdictions where lower-income units are produced in accordance with Alternative 3
3) Housing element compliance and progress toward rezoning land for multifamily development if required

Staff has identified three technical issues and three policy issues that need to be discussed as part of the annual review.
1. Annual Reporting/Annual Progress Report to HCD
Staff proposes using building permits instead of certificates of occupancy/final inspections for the annual progress reports to maintain consistency with the Annual Housing Element Progress Reports. The second issue is the option of jurisdictions providing the data of how many units had been produced, separately from the annual report. This is the way the data was previously collected. Staff is proposing that all jurisdictions submit the annual reports they prepare for HCD to SANDAG.

Catherine Rodman, Affordable Housing Advocates, commented that it is a good idea to rely on building permits. Her experience with information reported by jurisdictions is that staff is not always able to identify the source of the data. It would be a good idea to identify site or parcel numbers of the units being counted in order to make sure no data has been missed and that no double-counting has occurred.

Ms. Baldwin stated that HCD requires that jurisdictions provide the Assessors Parcel Number or address for lower- and moderate-income units, but not the above moderate-income units.

Scott Molloy, BIA, voiced concern for what happens when an apartment building is torn down and replaced with an alternative type of housing. This is not an increase in housing, just replacement housing. It seems like increases and decreases should be quantified.

Gary Halbert, City of Santee, answered that it has already been done.

Ms. Baldwin explained that she is unsure whether HCD forms require the identification of demolitions.

Mr. Molloy stated that it seems that the City of San Diego tracks this item and that it would probably not be difficult to do so.

Jon Brindle, City of Escondido, added that the issue is whether to submit to SANDAG the official documents a jurisdiction submits to HCD, taking into consideration these specific concerns.

Bill Chopyk, City of La Mesa, inquired as to why SANDAG wants a report and what it will use the report for.

Ms. Baldwin replied that it is to calculate the number of Policy 33 incentive points for funding programs like the Smart Growth Incentive Program.

Coleen Clementson, SANDAG, clarified that staff is trying to make this process as straightforward as possible. In addition to using the data for Policy 33, SANDAG also uses the data in its annual RCP Monitoring Report. Using the HCD report will simplify the amount of work to provide SANDAG with the data we need.

2. Update of SANDAG Funding Sources

The policy was inconsistent with regard to the Senior Transportation Mini-grant Program. It was listed as a program subject to Policy 33, but the policy also said that programs that allowed agencies other than local governments to apply were not subject to the policy.
3. Time Period for Reporting Lower-Income Housing Progress

The policy is silent on time frame but discussion had previously centered on using the most recent annual Housing Element Progress Reports. This could present an issue with the timing of the Smart Growth Incentive Plan call for projects in November 2008, as the most recent annual reports cover only through calendar year 2007, and thus do not count any units permitted in 2008. At the last TWG, the concept of allowing jurisdictions the option of reporting building permits issued up to the call for projects had been proposed.

Ms. Clementson elaborated that the idea behind this proposal is that it would provide jurisdictions the choice of the time frame for which they are reporting. A jurisdiction could submit its housing element report to SANDAG or it could do the additional work of reporting the units permitted up until the call for projects.

Robert Larkins, City of Lemon Grove, commented that relying on latest building permit information for call for projects is acceptable; however, it is not much more difficult to allow up to the ‘due date of application’ instead of the ‘date of call for projects.’ The previous would allow for an extra 45 days of production. Mr. Larkins suggested using the application due date instead of the call for projects.

Pat Murphy, City of Encinitas, expressed that jurisdictions need to be careful not to double-count. This could be a problem where staff turnover is concerned.

Mr. Chopyk asked how much time difference is involved between application date and due date.

Ms. Baldwin responded between 4 and 6 weeks.

Karen Brindley, City of San Marcos, said the time frames for which jurisdictions calculate data would need to reflect the change of date.

Roni Keiser, City of Escondido, wondered if a jurisdiction that opted to calculate building permits issued up until the due date of the application could in the following cycle fall back to a calendar year if it so chose.

Ms. Baldwin replied that it could, and may in fact benefit by doing so.

Mr. Murphy requested that this methodology be re-evaluated after a year or two.

Ms. Baldwin answered that the policy is evaluated annually.

Mr. Murphy expressed concern that jurisdictions might adjust the numbers to meet their needs. He suggested the scenario of a jurisdiction providing a great deal of building permits between April and the call for projects, not following up on the permitted projects and then changing its count for the upcoming cycle.

Mr. Murphy elaborated on his concern. He posed the example of a project of 10 units, but it is based on a 12-month additional period instead of a 2-year period. When the math is done, 10 more
units is not a significant contribution because in that time frame it should have built 25 more units. It seems that jurisdictions would use the time period to their advantage.

Mandy Mills, City of Chula Vista, stated that we should be comparing apples to apples and that everyone should use the same consistent methodology and time frame.

Mr. Molloy concurred, adding that using different time frames would create confusion.

Ed Batchelder, City of Chula Vista, agreed that it should be consistent because with the proposed system some jurisdictions would be competing based on 3½ years, while others are based on 2 years. This creates mathematical disparities.

Ms. Baldwin suggested an alternative option would be to require everyone to report through 2008. This would then become a data collection issue for jurisdictions.

Karen Brindley expressed that the incentive to do the extra reporting is there for a jurisdiction that is competing for funds.

Ms. Rodman asked why a jurisdiction would take the time to compete for funds if it thought that it had been out-performed.

Ms. Baldwin explained that there are other criteria for SGIP. Policy 33 accounts for 25 percent of the points, so there are many components which are used in the evaluation.

Nancy Bragado, City of San Diego, stated her concern for the time demanded for a jurisdiction to do a mid-year accounting. It is a huge task for a city as large as the City of San Diego to take on.

Ms. Clementson shared that during the discussion on the calculation of points, a great deal of thought was given to how this would be applied. In general, the steps taken to make this an even playing field are pretty straight-forward; the difficulty arises in actual distribution of points and percentages.

Ms. Baldwin suggested a vote on the first two issues presented, adding that the issue of incentive points is focused on the production of affordable very low- and low-income (lower-income) housing.

Mr. Molloy said he thought that housing element law referred to all housing.

Ms. Clementson referred to Ms. Baldwin’s presentation in which it spoke on the Board of Directors approval of the memorandum, whose focus in the award of incentive points was on lower-income housing. This memorandum is the basis of the preparation of Policy 33.

Mr. Molloy protested that it is not consistent with housing element law. This policy is exclusively focused on lower-income housing, but many cities have many affordable housing programs but do not get credit. There are broader issues with the policy itself. He added that all cities should report on building permits and that there should be a consistent formula used to award points.
Bill Chopyk noted that not all cities do annual HCD reports, and that it appears that cities that do not provide reports are ineligible for funds.

Ms. Baldwin stated that staff is proposing that submission of an annual report would become a requirement of applying for funds.

Mr. Batchelder noted that annual reports include information about the production housing for all income levels, not just lower-income production.

Mr. Molloy replied yes, but pointed out that this program does not recognize the many other affordable housing programs.

Ms. Baldwin observed that Mr. Chopyk made an important point: that annual reports would become a threshold criteria. Requiring annual reports is a recommendation of SANDAG staff.

Mr. Brindle drew attention to the fact that this is only one of the criteria in the overall SGIP and that there are many things that a jurisdiction can get credit for such as exceeding the placetype densities.

Mr. Molloy expressed concern about the approach taken to meet the need—which is a household need, not a lower-income need. The issue is housing production and zoning, but this policy has distorted the intent of housing element law.

Devon Muto, County of San Diego, shared that the County has not produced annual reports in the past because it has not had a certified housing element. It does not have a problem providing building permit data to SANDAG but without a housing element to base it on it is problematic to produce.

Ms. Clementson suggested the option of jurisdictions providing the building permit data to SANDAG using the HCD forms.

Mr. Brindle stated that there seemed to be a consensus on no double-counting and the need to identify specific sites.

Mr. Muto stated that with the modification suggested by Ms. Clementson, he moved approval of the staff recommendation for the three technical items.

Catherine Rodman asked for clarification on whether the housing element would be self-certified or under review. She suggested amending that section.

Mr. Muto commented that if it is still working on the program and it is in flux, it is difficult to report on the progress of something that is still being negotiated.

Ms. Rodman suggested that before a jurisdiction submits its housing element to HCD, it starts negotiating its acceptability in the jurisdiction. If its housing element is written, it has numbers (goals) it is working toward. She advised defining “in review” broadly to include submittal and negotiations with HCD regarding housing element compliance.
Greg Wade, City of Imperial Beach, commented that if the term “in review” is used it would have to take exception. It took 2 months for HCD to start reviewing its first draft, and the second one has been submitted but has not been reviewed.

Ms. Baldwin stated that this is a policy issue to be discussed later on about whether a jurisdiction must report on progress toward rezoning. This would normally be in the annual report, but if that requirement is eliminated we would only need the building permit data. If units are acquired/rehabilitated and income-restricted are counted, this information would need to be collected separately.

Jon Brindle recalled the items to be called for vote. They are:

1) Use of building permits instead of certificate of occupancy
2) Using the HCD reports for SANDAG instead of creating something specific
3) Updating the funding sources

Mr. Murphy explained that Encinitas would not be filing a report for submittal to HCD, but rather it would use the same format for reporting to SANDAG.

The motion to approve (seconded by Roger Post) passed unanimously.

Mr. Brindle brought up the time period issue that had been raised. He asked the TWG if there was a consensus to allow reporting up to the due date of the applications, as proposed by Mr. Larkins.

Ms. Mills stated that it should not be a choice.

Mr. Chopyk commented that unless a jurisdiction waits until the due date there would be a lot of guesswork and it would be very cumbersome. It appears that this would encourage people to wait until the very last day to apply. In contrast, with a call for projects everyone has the same cutoff date.

Mr. Larkins shared that this is not a problem for small jurisdictions.

Mr. Halbert concurred that for smaller jurisdictions this would be very easy. For larger jurisdictions this is quite an undertaking. The question becomes a choice between falling toward the earlier year to help the larger jurisdictions or penalizing the smaller.

There was a motion to allow jurisdictions to have a deadline be the call for applications rather than due date.

The motion passed.

Ms. Baldwin moved on to address the policy issues, the first being the criteria: making progress toward implementation of re-zoning programs. There is the possibility of eliminating this requirement because it is difficult for SANDAG to assess “progress” in this area. This is generally an area where HCD does the assessment. Not to diminish the importance of this particular aspect of housing element law, but it is difficult to implement this criterion as part of the program.
Ms. Rodman supported staff recommendation, not because zoning is not important, but because the focus of the memorandum and policy is on production. Eliminating this criterion eliminates the need for subjective review. Demonstration of progress is not a meaningful way of awarding funds.

Mr. Molloy opposed this view. If the whole purpose is to comply with housing element law and produce housing units, then part of that is to undertake the rezoning process for multifamily housing. This policy should be strengthened, not eliminated, especially if that is what is required of a jurisdiction as part of housing element law.

Mr. Chopyk stated that the annual report does cover the rezoning effort. It could ask cities that do not have certified housing element to demonstrate important steps to achieving affordable housing. He does not want SANDAG to do the same type of review as HCD, but maybe it can look to HCD to determine if a city is in general compliance with its rezoning goal. Rezoning is an important step in achieving affordable housing goals and he would hesitate to remove that criterion. La Mesa has made significant rezoning efforts and it would like to get rewarded for that.

Mr. Batchelder stated that when comparing jurisdictions against one another looking at only 2½ years of production in a vacuum without the rezoning, it does not present a full enough picture. He recommended looking at whether a jurisdiction has rezoned land for higher densities to add capacity. This is important to bear in mind when looking at Column F. Rezoning should be evaluated on a point basis; for example, if the threshold for adopting a rezoning plan has been passed, points should be granted. Total housing production and not just affordable housing production should be considered. In the case of Chula Vista, while it performs poorly in the 2 ½-year window for affordable housing production, it has added 13,000 units of mostly multifamily units through rezonings. Chula Vista is not in favor of eliminating this factor entirely.

Ms. Baldwin pointed out that in housing elements, jurisdictions may have a program to rezone, but this may not be completed until the end of the housing element cycle.

Mr. Batchelder said yes, but stated that a jurisdiction should earn some points if it has rezoned.

Ms. Rodman cautioned it is difficult to ensure that multifamily units would stay affordable. The concern is that if it is very high density, it will not equate to affordable housing and might even end up becoming exclusionary.

Mr. Batchelder agreed that there is no way to be sure but that it should receive points for going through the rezoning efforts.

Mr. Brindle said he does not foresee this being an issue.

Mr. Murphy shared that this discussion justifies eliminating the requirement because it seems to penalize jurisdictions that already have done the right planning. For example, if a city gets points for rezoning, a city that already had the zoning in place is penalized. It is better to keep it very simple or eliminate it altogether.

Mr. Batchelder suggested looking at cumulative capacity, whether new or established.
Mr. Halbert brought up the idea of grading whether a jurisdiction has sufficient capacity for high density to meet its goal.

Mr. Brindle referred to this as customized reporting.

Mr. Halbert noted that it might be this program (SGIP) that pushes a jurisdiction to build more affordable housing in the rezoned areas.

Mr. Wade commented that there should be some incentive/credit to jurisdictions that are rezoning, despite the fact that it may not be mandated in its housing element.

Ms. Clementson voiced that in terms of how to calculate the points, SANDAG may have to supplement the information and address this in the “points” area.

Ms. Brindley expressed mixed sentiments because the intent is to reward jurisdictions that are producing. Now the policy is being watered down by allowing jurisdictions without certified housing elements to compete and it is eliminating the rezoning progress requirement. However, SANDAG has a difficult responsibility in conducting evaluations. A jurisdiction should not be penalized because it has a certified housing element and does not need to rezone.

Mr. Larkins asked how it could award points non-subjectively.

Mr. Chopyk promoted awarding 5 points to those that have rezoned.

Mr. Larkins remarked that Lemon Grove has not rezoned because it does not need to.

Mr. Larkins moved to support staff recommendation. Motion carried, with San Marcos in opposition.

Ms. Baldwin moved on to the issue of housing element compliance. Currently a jurisdiction is ineligible to apply for funds subject to Policy 33, unless it has a letter from HCD stating that the housing element is in compliance with state law. The idea of a 2-tiered and 3-tiered approach was discussed. The idea for the 3-tiered approach was that if a jurisdiction has a letter from HCD it would get 100% of the points it was allocated through the award of incentive point process. If its city council has adopted a housing element with findings of compliance (i.e., the City Council and City Attorney find it to be in compliance with state law) it would receive 50% of the points. If it has a draft element in review it would get 0 points. This proposal would mean that housing element compliance would no longer be a threshold for screening applications; if jurisdiction has a housing element in review, it may compete for funds.

Mr. Halbert inquired as to whether the definition of “in review” is the same as the HCD definition.

Ms. Clementson clarified that if a jurisdiction can demonstrate that a full housing element has been submitted to HCD for review, it could compete for funding.

Mr. Brindle pointed out that there are different levels of review.
Ms. Clementson cited the Encinitas example. The City of Encinitas feels that it has a fully legal housing element and it is just in dispute with HCD over some specifics that are not pertinent to its legality. The idea would be that any jurisdiction whose council feels its housing element is in compliance with the law and whose City Attorney has signed off on it could receive 50% of the points.

Mr. Brindle asked if the City Attorney would sign off on a separate form.

Ms. Clementson said that it would probably be a council resolution, but this would require some input from the jurisdictions.

Mr. Halbert explained that Santee is in same situation as Encinitas, where it is being told that rezoning action must already have happened in order to get certification. This results in the same situation as in the last issue, where it comes down to the fact that SANDAG will have to make a judgment. In order to avoid the hassle, it makes more sense to just leave it as a yes/no eligibility based on HCD compliance.

Ms. Rodham stated that she would agree except for the fact that there is at least one jurisdiction that has received a “conditional” letter of compliance from HCD. In those cases, jurisdictions should have to report on those conditions to HCD. The simplest thing is for SANDAG to review the HCD Web site, and for those with conditional letters of compliance to assure that the jurisdiction has satisfied the conditions.

Mr. Muto reiterated that the initial intent was to incentivize production of low-income units. Two of the top low-income unit-producing jurisdictions don’t have housing elements. We should be providing some allowance for those jurisdictions to compete.

Mr. Larkins asked how making progress could be measured.

Ms. Baldwin added that in the last cycle if a jurisdiction had submitted a draft housing element to HCD for review, it could compete for funds.

Mr. Larkins was troubled by that response because if a jurisdiction does not have a housing element adopted, it is questionable as to how committed it is to affordable housing overall. It should be a yes or no question as to whether it has a certified housing element, and a yes or no as to whether it can compete.

Mr. Murphy advocated the 2-tiered approach. If one totals low-income units, the majority of affordable housing units were built in cities without a certified housing element. This is important because the policy is focused on looking at production and it is important to let jurisdictions compete. He proposed giving equal weight.

Roger Post, City of National City, agreed with Mr. Murphy’s observation, but noted that there is a big difference between having an element in to HCD and receiving approval. He voiced agreement that it should be a yes or no.

Barbara Kraber, City of Lemon Grove, asked if “adopted” in the housing element language in memorandum meant certified.
Ms. Baldwin responded yes. She added that a draft element is sometimes submitted, but final adoption comes after they see the final element. No one is self-certifying their housing elements. HCD sends a letter after the final element has been adopted, certifying that the element complies with state law.

Mr. Larkins concurred that is the final step.

Ms. Baldwin recalled that at the last meeting a 2-step tier had been proposed, where a jurisdiction would qualify if it had received the letter from HCD or if it had submitted a draft.

Mr. Murphy stated that he did not have a problem with actively pursuing HCD approval, but he did have a problem with not even being able to compete.

Brian Mooney, City of Del Mar, voiced that in evaluating programs in Del Mar and having spent time working with all jurisdictions, it is essential to identify goals first, which is production of affordable housing units. Creating a tiered program is important because it can be very difficult and often very political to get housing elements approved. He favored the 2-tiered approach.

Mr. Brindle asked if there should be a distinction between having adopted a draft housing element or just pursuing it.

Mr. Mooney did not have a preference when asked about that matter.

Mr. Halbert made a motion in favor of a 2-tiered approach in which a letter from HCD grants the jurisdiction 100% of points, and where there is no letter but a draft in process, a jurisdiction is eligible to compete but receives no points.

Mr. Molloy said the issue should be housing capacity. The funds are for smart growth infrastructure for multifamily housing and infrastructure. If a jurisdiction does not have development standards in place (parking, FAR, etc.), it seems implausible that it can make it happen.

Mr. Brindle reminded the group that jurisdictions are only eligible to submit for grants in Smart Growth Opportunity Areas, and those have placetype criteria which awards points for proximity to transit, density, etc.

Mr. Halbert emphasized that jurisdictions need to have plans in place.

Mr. Brindle replied that is already covered in the rest of the SGIP criteria.

Bill Chopyk seconded motion for the 2-tier system: certification receives 100% and in-process receives 0% but is still eligible.

The motion was approved with 8 voting yes and 4 voting no.

Mr. Wade commented that it is skewed toward jurisdictions with a housing element. A jurisdiction without a certified element but that is making every effort to get one is stuck with 0 points and thus won’t be competitive for funding.
Mr. Murphy was concerned with the 0 points proposal but felt it was the best that could receive approval.

Ms. Baldwin presented on the award of incentive points. The issues are:

--Accuracy of data  --Alternative 3  --Weighting  
--Use of 1 or more options  --Regional share  --What should count (Rehab/Acq or only new)

Mr. Murphy recommends sticking with counting only new construction.

Ms. Baldwin contributed that state law allows up to 25% of the RHNA goals to be counted based on acquisition/rehabilitated units if committed through the housing element.

Ms. Mills drew attention to the fact that RHNA is a capacity/planning goal; not a production goal. If the idea is to count affordable housing production, it should not be compared to the RHNA goal. None of the following count toward RHNA goal:

--Acq/rehab  
--rental subsidies  
--homebuyer programs

Ms. Mills recommended assessing production but not measuring it against the RHNA goals. In the self-certification pilot program, the region had RHNA goals and production goals.

Mr. Wade supported that concept, even if acq/rehab units get less credit than new units.

Ms. Bragado stated that if a jurisdiction takes higher numbers, it is doing a service to the region. There needs to be incentives for infrastructure for areas that take on growth.

Ms. Brindley commented that not using RHNA as part of the assessment is problematic. The goal is to provide incentives to those jurisdictions based on how well they are meeting their RHNA goals and it should not be diluted.

Ms. Clementson demonstrated that if one were to go through table, Policy 33 currently goes through column E. In Column A, a jurisdiction gets a check if it has a certified HE. Column B is an alternative 5-year lower-income goal, Column C is the 2½-year goal of the 5-year goal, Column D is what jurisdictions reported to SANDAG about new low- and very low-income units that had been permitted in the 2½-year period, and Column E is a percent indicator of how well it has met its 2½-year goal. The TWG discussion was a starting point. SANDAG heard from jurisdictions with high production that do not rate as well because of a high goal and it is trying to account for that. In order to account for general capacity increase, the idea of adding Column E + Column F together to count as 50% was considered. It was not thought to be a good idea so alternate percentages were tried out. The idea was presented of comparing each jurisdiction’s lower-income housing production to its total production.
Mr. Batchelder said the issue was brought up because in looking at column F, the focus is changed to comparing jurisdictions against each other instead of comparing jurisdictions against themselves and their own goals. The columns under G show three different ways to weight it.

Ms. Baldwin instructed the group to look at the second page; the comparison in Column F was what Chula Vista had suggested.

Mr. Batchelder pointed out that again the focus is on total production and inquired as to whether that made it on the table.

Ms. Clementson answered that SANDAG has it, but it is not included on the table.

Ms. Baldwin said that building permits were used, but the information used was from jurisdictions based on the total units permitted and what the percentage of low- and very low-income units permitted was.

Mr. Batchelder declared a fundamental problem with Column F.

Mr. Batchelder provided the example of Coronado. Chula Vista took on a huge number and has not delivered a lot yet, but it will. It will produce more units than Coronado, but based on percentage points, Coronado rates higher. There is a fundamental mismatch with the Board’s policy intention. It must go back to principal. He favored rescinding Policy 33 in favor of the SGIP selection criteria.

Ms. Hurst reminded everyone that it is necessary to take into consideration the size of the jurisdiction, otherwise all the smaller jurisdictions would never be able to compete, and that is not what was intended.

Mr. Batchelder made a motion to rescind Policy 33 in favor of adopting SGIP application criteria that, among all other factors, takes affordable housing criteria into consideration. If this is all about getting points into the application process, it makes sense to just build in housing as part of the application process.

Ms. Baldwin contributed that there is already housing built into the application process.

Mr. Batchelder inquired as to why it came up with a separate policy exclusively focused on affordable housing.

Ms. Baldwin explained that when the Board adopted RHNA and the Memorandum, it adopted Policy 33 as the mode of implementation for the Memorandum.

Mr. Brindle pointed out that technical experts and the industry are saying that the Policy is fatally flawed and that it makes a lot more sense to have one framework of criteria that looks at housing in the context of all these issues.

Mr. Molloy noted that it seems that affordable housing production is just part of the smart growth housing production and it was part of the negotiations to get the RHNA numbers to where everyone could agree. The goal is to encourage production, and one of the ways to do that is to make it part of the SGIP. By throwing out Policy 33, it makes the statement that affordable housing...
is not very important. All the points for affordable housing can be overridden. Cities need incentives
to do affordable housing, and this policy provides that. It should not be thrown out because a
jurisdiction did not produce as much as the year before—maybe it should address that issue.

Mr. Batchelder opted against throwing it out. He suggested that affordable housing production
should be part of a formula to create incentives for smart growth and should just be built directly
into the SGIP criteria.

Mr. Brindle said that it is in the criteria.

Mr. Batchelder referred back to Ms. Mills’ comment about comparing production to a planning
number; the number is huge, and most jurisdictions will never meet their RHNA goals. The group
must consider how well SGIP criteria gets at acknowledging and giving fair reward to affordable
housing.

Ms. Clementson explained that our focus on Policy 33 relates to the smart growth incentive
program, which is on a tight timeline to get money on the street. This also applies to the
Bike/Pedestrian Program, among others. With respect to Board adoption of the Memorandum, the
Board wanted to ensure that jurisdictions that are taking steps to build affordable housing in the
region be provided with incentives. The jurisdictions that are going through the pain of adopting a
housing element and that have agreed to higher numbers, and are actually producing, should be
rewarded for that. This discussion shows that the formulas being used are not working. SANDAG
staff would not be comfortable approaching the Board and suggesting the elimination of the policy
completely. The goal is to find ways to measure affordable housing progress that meets the intent
of the RHNA memorandum.

Mr. Brindle observed that there seems to be a desire to account for the number of units in addition
to the percentage. He noted that 10 units in one jurisdiction might be a high percentage, but a
large jurisdiction may produce 600 units and result in a low percentage.

Mr. Batchelder contributed that the way column F+G is structured actually produces an effect which
is counter to the intended goal.

Mr. Brindle suggested finding an alternative way to award performance.

Ms. Bragado stated that it is important to find a way for smaller jurisdictions to compete for funds,
but a large jurisdiction should be eligible for more of the funding, however that works out.

Mr. Brindle added that the scoring criterion for smart growth looks at intersection densities and
other factors. The aforementioned has been accounted for.

Mr. Batchelder commented that it is the other 75% of the consideration. This is just 25% of the
points.

Ms. Hurst stated that if the intent is to look at RHNA, the focus should be on density levels, not
actual affordable units because nowhere in the state certification did it ever say that however many
units were produced would be affordable. If the desire is to measure against RHNA, it should be the
number of building permits issued at the density range counted in the RHNA. If the intent is to get
a production count on affordable units, just count affordable against some other method of total affordable in the region. An affordable unit does not necessarily mean it was in the RHNA count.

Ms. Brindley pointed out that a talking point from the presentation was the actual production during the entire cycle. She suggested that whatever method is devised, it should reflect the production from the 2003 cutoff point, instead of the 2½-year timeframe. In San Marcos, production is deducted from 2003-2005, which changes its production from 186 units to 586 units.

Mr. Muto expressed general agreement with this, adding that credit should be given where people are producing, to jurisdictions taking on a larger share, and where other programs are contributing to affordable housing production. In looking through tables at formulas, there really is not a difference in outcome regarding how to share these 25 points. One possibility is that instead of having one formula to capture the 25 points, it could try taking the 25 points and splitting them into five categories of 5 percentage points each. That way, each one of the major programs has points assigned to it (RHNA, regional share, etc.) instead of coming up with one complicated formula.

Ms. Brindley inquired as to the jurisdictions that took an extra share, whether there is a method for weighting production by that factor. For example, if San Marcos took an extra 10%, it could be weighted by 10%. She is concerned about what Rachel said about regional share.

Ms. Baldwin explained that this is already accounted for.

Jim Schmidt, a member of the Regional Housing Working Group, introduced himself. He said this conversation is like listening to government and planners try to put a smile on a corpse. The key issue is numbers, numbers create affordable housing, and the more housing you produce, the more affordable housing will be. The bottom line is that those who produce should get points.

He also opined that when 100 units are built in one area, families are displaced. He is on a housing task force with Scott Molloy and would like to have the opportunity for the two of them, as well as David Rehmann, to speak at the next TWG.

Ms. Clementson voiced that the comments are good and said that staff will bring this issue back. SANDAG staff is open to further input and this discussion will be continued at the October TWG.

Mr. Murphy made a final comment along those lines. He stated that we are working to fix a flawed policy, and that part of the reason it is a poor policy is because of how it came about. This policy originated without the input or consensus of committees and groups. Mr. Batchelder’s comment pointed out that it is not about throwing out affordable housing, but a policy needs to be developed that works. The problem is that this policy should have been amended a long time ago. An open discussion, outside the context of Policy 33, should be initiated to devise a more workable process.

Ms. Clementson elaborated that with the next RHNA process, this Board policy will no longer be in effect, and it applies only during this housing element cycle.

Greg Wade expressed general support for breaking the 25 points into 5-point increments. Returning to the issue of production, production needs to be considered for acq/rehab units. In Imperial Beach,
affordable housing is not being built as a response to the incentive to get money for smart growth. It is not engaging a consultant to upzone and increase height and density just to be eligible for funding. These actions are being taken because it makes good planning sense to do so, and it achieves the objectives discussed. He expressed taking exception to the comment made that jurisdictions are just sitting here planning without good reason. Imperial Beach is doing these things not to compete for funds but because it feels an obligation to do so. Despite these efforts it may not be eligible for funds, and it will keep developing in this way despite that fact. Imperial Beach is the third lowest-income jurisdiction in the county and yet it is not getting credit for that. In the initial SGIP, it got credit for having a higher percentage of lower-income households than the region.

**Agenda Item #4: Adjournment and Next Meeting**

The next regular TWG meeting will be held Thursday, October 9, 2008, 1:15-3:15 p.m.
SUMMARY OF OCTOBER 9, 2008, TECHNICAL WORKING GROUP MEETING

Agenda Item #1: Welcome and introductions
Chair Bill Anderson presided. Self-introductions were conducted.

Agenda Item #2: Public Comments and Communications
Jim Schmidt, an affordable housing advocate who serves on several SANDAG working groups, shared his input. He recalled a time when processing building permits took only 8-9 months to process. If you could cut through processing impediments, homes could get built faster and supply could keep up. The Economic Development Corporation (EDC) recently released a “Housing in San Diego Study,” which stated that the number of housing units built have not kept pace with demand for many years. There needs to be a way to help process construction more quickly.

Stephan Vance, SANDAG, announced that SANDAG will be conducting Smart Growth Design Guidelines Workshops on October 29 at the Encinitas Public Library from 4-7 p.m. and on October 30 at the Santa Fe Room at Balboa Park from 4-7 p.m. The workshops will be identical and will be conducted in an open house format. Flyers will be coming out shortly.

Carolina Gregor, SANDAG, relayed an e-mail from Gary Barberio from the City of Carlsbad, which drew attention to a Memorandum of Understanding of Land Use and Development Actions signed in 1989 by all the jurisdictions. This was an agreement to work together to notify each other when big projects occurred on the borders between cities. Mr. Barberio had inquired if this was still in effect and how it pertained to the Intergovernmental Review (IGR) process. If the TWG is interested, staff can return with a response to these inquiries in relation to the IGR program currently in place.

Chris Schmidt, Caltrans, distributed brochures and notified the TWG of various transportation planning grant programs being offered from the state. Caltrans is available to assist in grant-writing.

CONSENT ITEM

Agenda Item #3: Approval of September 11, 2008, Meeting Minutes
The minutes were approved, with the following correction submitted via e-mail by Gary Barberio. On page 12, the next to the last sentence in his comment, add: “In addition, as a part of the last RHNA process, the housing production numbers assigned to each jurisdiction were already adjusted.
up or down depending on each jurisdictions' amount of existing low-income households as a percentage of total households versus the countywide average. So to again make an adjustment based on the existing percentage of low-income households within a jurisdiction would be rewarding or punishing a jurisdiction a second time. This adjustment was already agreed to by the SANDAG Board and was done as part of the last RHNA process."

REPORT ITEMS (4 through 11)

Agenda Item #4: Reports from Technical Working Group Members

There were no reports.

Agenda Item #5: Draft 2008 Congestion Management Program (Heather Werdick)

Heather Werdick, SANDAG, explained that the purpose of the Congestion Management Program (CMP) is to provide ongoing monitoring of the region's transportation system, develop near-term and long-term strategies to mitigate congestion, better integrate transportation and land use planning, and provide Deficiency Plans for segments which do not meet level of service (LOS) standards within the CMP. Ms. Werdick displayed a map of the existing CMP network, which includes all freeways, highways, and selected arterials. A large component of CMP analysis is the Roadway Level of Service Analysis, based on 2007 traffic data. The CMP standard is LOS E; anything with LOS F is deficient. There has been significant improvement since the 2006 evaluation. There also is a transit corridor component with 11 transit corridors. These were evaluated on the following: miles of service provided, number of trips, ridership, and average speed. There was a 13% increase in the number of trips operated and a 9% increase in ridership since the 2006 evaluation. The analysis does not include the SPRINTER since it was not in service at the time of study.

There continue to be deficient segments. SANDAG staff incorporated RTP improvements that are planned for 2010, 2020, and 2030 with deficient segments and came up with an analysis to determine if deficiencies remain. After this, 21 segments remained deficient and require Deficiency Plans. Local jurisdictions are required to prepare and adopt Deficiency Plans. The purpose of Deficiency Plans is to determine the cause and propose actions necessary to improve the deficiency. SANDAG, Caltrans, and local jurisdictions are currently working to coordinate subregional efforts. Studies are being conducted on these corridors: I-805, I-5 North, and I-5 South. Additional travel demand modeling may be conducted by SANDAG to assist jurisdictions in developing Deficiency Plans. In March 2008 the Transportation Committee requested that staff look at how to process CMP updates in the future, including different ways to meet CMP requirements and folding monitoring efforts into existing planning processes. The Transportation Committee also asked staff to look into “opt-out” provisions. It has been suggested that incorporating the CMP into existing planning activities, such as RCP Performance Monitoring Report, might be a future approach. The Transportation Committee also asked staff to review potentially adding new arterials to the CMP network; the existing network was created in 1991 and it is likely that it may be in need of updates. SANDAG will recommend adding two segments: one in the City of San Diego and one in the City of Chula Vista. At the September 19, 2008, Transportation Committee meeting, the Draft 2008 CMP was released for a 30-day public comment period. Written comments are due to Ms. Werdick by
October 22, 2008. A public hearing will be held at the November 7, 2008, Transportation Committee meeting on the Draft 2008 CMP and to discuss the future of the CMP.

Chair Anderson inquired about “opting out.” Ms. Werdick explained that there is a provision to opt out of state CMP provisions. SANDAG complies with both state and federal regulations. Several regions have opted out of state CMP. It takes a majority of cities in the region representing a majority of the population to adopt resolutions to opt out.

Mr. Anderson posed the question of a city that might have an arterial with level of service F, but does not want to widen the street. He asked if that would be taken into consideration. Ms. Werdick answered that the deficiency planning process would require the city to explore congestion management options, such as widening or other mitigation strategies, but that these strategies were not required to be implemented. Possible remedies could include changes in land use.

Roger Post, City of National City, asked if it is still the local agencies that are responsible for preparing Deficiency Plans in the case of state highways. Ms. Werdick confirmed this, adding that SANDAG and Caltrans can assist local jurisdictions in preparing Deficiency Plans, but the local jurisdiction are required to prepare and adopt the Plan.

Agenda Item #6: Fair Share Methodology Study Ad Hoc Technical Advisory Group (Heather Werdick)

Ms. Werdick informed the TWG that SANDAG has hired a consultant to do a fair share methodology study to develop a consistent methodology to identify appropriate financial contributions for the mitigation of future development on the regional transportation system. The intent is to develop standard methodology for jurisdictions to use for public sector projects and for developers to use for private sector projects. The staff report includes an outline of the scope of work and proposed membership for Ad Hoc groups. Staff presented this report to CTAC last week and a CTAC representative from the City of Chula Vista and an alternate from Poway were appointed to the Ad Hoc Technical Advisory Group. Staff also is working with Caltrans and transit operators, as well as the City of San Diego and the County of San Diego, to identify representatives. Staff is seeking a TWG member to participate in the Technical Advisory Group meetings. The group is expected to meet monthly with the first meeting to be held the afternoon of October 23.

Gary Halbert of Santee volunteered to be the prime representative and Rich Whipple of Solana Beach agreed to be the alternate representative.

Agenda Item #7: Annual Review of Board Policy No. 33: Implementation of Guidelines for SANDAG Regional Housing Needs Assessment (RHNA) Memorandum

Susan Baldwin, SANDAG, provided an overview of the annual review of Policy 33. She explained that the Smart Growth Incentive Program (SGIP) application will include a total of 300 points, and that 25 percent of the points (75 points) will be related to Policy 33. Discussion on the annual review began at the September 11 TWG meeting and continued at a special session on September 30, which was then followed by a general discussion of the topic at the Regional Planning Committee (RPC) meeting on October 3. Ms. Baldwin then met with Jon Brindle, Ed Batchelder, Mandy Mills, Nancy Bragado, Rachel Hurst, and Greg Wade this morning, before today’s TWG meeting, to further discuss the issues and clarify emerging ideas.
Ms. Baldwin distributed a one-page summary on the discussion thus far, with points of consensus noted in bold. The focus was first directed to the Award of Incentive Points. As a result of the September 30 meeting, there are two major options:

1) **Look at some combination of number of lower-income units produced in relation to RHNA goals and weighting with percentage share produced by jurisdictions.**

   The table shows percentages and points based on the data provided by jurisdictions to date. This approach tried to reduce the spread of points assigned, so there would not be so much disparity between the jurisdictions. The 50/50 weighting was the most equitable (as opposed 80/20, 60/40, 90/10, etc.).

2) **Break the 25% of points into five categories with 5% weighting for each category. (See attachment for categories.) This second option would require additional work with the TWG and a subgroup to clarify the data associated with the categories, but SANDAG is short for time as it wants to issue the call for applications for the SGIP program in November.**

The next issue deals with what should be counted. If it is decided that rehabilitation/acquisition units would be counted, then SANDAG would need to collect that data from jurisdictions because that data was not initially requested. There also was a question of whether only deed-restricted units should be counted, and whether to allow jurisdictions to submit data from January 2003 to the beginning of the housing cycle, because those numbers are actually embodied in the RHNA numbers.

Melissa Ayres, City of El Cajon, asked why SANDAG would tie the points to deed-restricted units if the Department of Housing and Community Development (HCD) does not.

Ms. Baldwin answered that when submitting data to HCD, there is a line for deed-restricted and non-deed-restricted units. For very low and low-income units, which are evaluated for Policy 33, it is her understanding that no lower-income units are being produced that are not deed-restricted.

Ms. Ayres explained that in Northern California, all apartments being constructed are affordable to households making 80% of area median income, so the construction of apartments automatically increases the supply of affordable housing.

Ms. Baldwin responded that it is her understanding that most apartments being built in San Diego are not affordable to lower-income households.

Devon Muto, County of San Diego, stated that the County has demonstrated through market studies that it can produce lower-income units, both apartments and new mobile home units, without deed restrictions.

Greg Wade, City of Imperial Beach, stated that there are two parts to this discussion and that acquisition/rehabilitated units should be counted. These units involve taking existing stock and significantly rehabilitating them to make them affordable for low- and very low-income residents for 55 years.
Ed Batchelder, City of Chula Vista, noted that Column D is mostly deed-restricted. It is unwise to divide it by Column B or C, because Columns B and C consist of planning numbers, not goals to meet for deed-restricted units. The issue with Column E is that it means taking a huge planning number, but its progress is only judged on deed-restricted units. By nature, the process should include more than just deed-restricted units. This becomes a challenge given time restrictions.

Mr. Post stated that so much of this is driven by luck. Smaller jurisdictions will have good years and bad years. For example, in National City one project can make the difference between great or terrible results. He inquired about how this relates to time periods.

Bob Leiter, SANDAG, stated that after the RPC meeting last week, Coleen Clementson, Susan Baldwin, Jon Brindle, and he met to try to narrow down the unresolved issues. On the issue of which units should get counted, the consensus was that staff should rely on HCD’s rules. When a Housing Element is adopted by HCD, a target is set and the jurisdiction then reports on its progress. SANDAG does not want to set up new rules for monitoring this progress and would rather follow rules agreed upon between jurisdictions and HCD. With regard to the question regarding the point system with respect to a time frame, the idea was to look at share or amount of housing being produced in relation to the whole with a weighting factor.

Jon Brindle, City of Escondido, stated that the goal should be to acknowledge the level of effort exerted by the jurisdiction. He expressed concern that this table does not get at that, and there may be some additional criteria that better assesses that effort.

Nancy Bragado, City of San Diego, stated that she saw a lot of promise from the meeting this morning with regard to breaking down the objectives into five categories:

1) Housing Element
2) Regional share (in some form)
3) Actual production
4) Existing fabric/existing need
5) Percentage of lower-income households

There are ways to work out the numbers so there is some degree of equity in addressing the three major planning goals in the RHNA memo:

1) Planning
2) Delivering
3) Having affordable housing

Karen Brindley, City of San Marcos, expressed that she would have liked to have participated in the morning meeting. From her perspective, the Intent of Policy 33 is to reward jurisdictions that accepted and have produced a higher share of affordable housing. This does not seem to be reflected in the table. She voiced a preference for a greater split in these areas.

Chair Anderson asked if there was consensus that there should be more categories.
Mr. Brindle suggested that if this table is used, there should then be a consensus on the weighting split. If there is not enough consensus, a separate motion should be developed which would not include this table.

Mr. Post made a motion to adopt the 50/50 weighting scenario, contingent upon another scenario not being selected.

Rich Whipple, City of Solana Beach, requested clarification, asking whether the points allocated through the proposed weighting on the chart would only impact the 75 points of the SGIP application related to Policy 33, and whether Policy 33 would apply only to the SGIP.

Ms. Clementson confirmed this, and added that Policy 33 would also apply to the Bike/Pedestrian program. As new grant programs arise, it is up to policymakers to decide whether to apply Policy 33 to those programs.

Mr. Whipple stated that other than the weighting system, there were various other qualitative characteristics that jurisdictions may feel are important.

Mr. Batchelder commented that the points need to be based on quantitative data. The problem is that the current policy is structured to look at the percentage of units built based on a “planning” number. For example, Chula Vista has approved plans that demonstrate that it is providing greater capacity to generate a higher housing supply, but it does not compete well against a city like Coronado, which has actually produced units, but a very small number of units.

Ms. Clementson observed that the memo focuses on two themes: (1) how do we reward jurisdictions that are producing in accordance with their RHNA goal, and (2) how do we reward jurisdictions that are producing higher numbers of units. Currently, the policy goes through Column E. Right now the discussion is centering on how to make this process more equitable.

Mr. Batchelder pointed out that in the policy there is a phrase that says “in accordance with” the numbers in Alternative 3 (RHNA). The production number was a percentage of the lower-income RHNA goal. This means that a production number was used as a percentage of a planning number, and there is an inherent issue with that.

Noting that the initial motion had not been seconded, Chair Anderson asked for a motion for the 50/50 contingent, upon a better methodology not passing. Voting no would indicate that the 50/50 approach is too flawed.

No motion was made. As a result, Chair Anderson asked if there was consensus on the discussion on housing element compliance.

Mr. Batchelder explained that at the morning meeting there seemed to be general consensus on having housing element compliance as a criterion, but there was disagreement on how the points should be allocated. As it is now, a jurisdiction receives all of the points for having a housing element and 0 points for not. Some felt that this is not equitable because if a jurisdiction had made substantial strides, but did not have the housing element in compliance, it should still be rewarded.
Chair Anderson stated that housing element compliance should be a criterion, as should RHNA production.

Ms. Bragado clarified that regional share should be a criterion, and then production would be a broader category that might include rehabilitation/acquisition and other affordable housing programs production.

Mr. Batchelder explained that the reason for that separation is because the RHNA share is a planning number and what would be reported to HCD is progress toward RHNA, which would include more than what is included in column D (new, deed-restricted, low-income units).

Chair Anderson inquired whether the RHNA share referred to the share of units that your jurisdiction has taken on as part of the RHNA numbers.

Ms. Clementson answered that this was the case, and that a jurisdiction would receive more points if it took a larger share. The jurisdiction gets points based on what it agreed to in Column B.

Mr. Batchelder stated that RHNA numbers should be related to population so that small jurisdictions are not penalized for a small planning number, and large jurisdictions are not penalized for not making progress toward reaching a larger planning goal.

Ms. Clementson responded that RHNA numbers are already based on population. Ms. Baldwin elaborated that a major factor in determining the RHNA numbers was based on the forecast, which is based on existing plans and policies as well as commuting and employment patterns.

Chair Anderson asked if the measurement of low-income housing production should be reflected as the total unit count or as a percentage of the total units produced.

Mr. Batchelder opined that it should be total count, absolute numbers.

Chair Anderson asked whether the count should include deed-restricted units or be measured by HCD guidelines.

Mr. Batchelder shared that RHNA allows the counts to include units that are not deed-restricted.

Ms. Baldwin clarified that in order to do so, jurisdictions have to identify those units in the housing element annual reports.

Mr. Batchelder stated that it becomes more difficult to keep the data in column D consistent.

Ms. Baldwin said that the discussion had centered on using just density.

Mr. Batchelder stated that if that was the case, SANDAG would have to come up with a set of rules that everyone agrees to.

Chair Anderson asked if the measurement should be based on deed-restricted or total affordable housing units as measured by density calculations.
Ms. Ayres stated that all jurisdictions are required to submit their annual reports to HCD every April. A jurisdiction should receive credit for having produced the units and having submitted the report to HCD. Jurisdictions should not be producing a second report.

Mr. Brindle asked if the housing element would have to be certified.

Ms. Clementson replied that it would have to be certified. The rehabbed units only count if the housing element assumed that it would meet that goal through acquisition and rehabilitation.

Ms. Baldwin stated that under this discussion a jurisdiction could be eligible to compete for funds from the SGIP if it had a draft housing element, but it would not get any of the 75 Policy 33-related points in the application.

Mr. Batchelder stated that some of the regional share was based on forecasted density and the question is whether the jurisdiction would be able to count non-deed-restricted units in Column D. The County is counting some units. There needs to be consistency in how units are counted toward meeting the RHNA goals.

Ms. Brindley suggested using the HCD forms for reporting instead of opening up the different categories.

Mr. Wade stated that California Redevelopment Law counts substantially rehabilitated units as production. Imperial Beach has households with the third lowest incomes in the region. In the last two years, the City has produced 30 units of deed-restricted units through rehabilitation/acquisition and it has received no credit. Receiving 25% of the credit for those units is not enough.

Chair Anderson asked if we would be double-counting if jurisdictions reported both HCD and deed-restricted rehab units. Ms. Baldwin answered no because rehabilitated units are not counted in the HCD report.

Mr. Wade stated that rehab units could count for up to 25%.

Mr. Whipple contrasted that there could be a double-count based on a jurisdiction’s language in the housing element.

Mr. Anderson asked if those are separate line items in the HCD report. Mr. Wade responded yes, but it is easier for smaller cities to prepare those.

Mr. Halbert voiced concern that allowing full credit for rehab units would send the message to jurisdictions that they can use their redevelopment funds to get affordable housing credit. Usually a jurisdiction is rehabbing a unit that was already affordable. He suggested awarding partial credit.

Chair Anderson suggested awarding 50% credit. Mr. Wade was open to this idea.

Chair Anderson moved to the next issue: existing distribution of lower-income units. He asked whether this should be a component of the criteria and where the data would come from.

Ms. Baldwin answered that the data would come from the most recent census.
Chair Anderson moved to the next issue: percentage of existing total households that are lower-income. He observed that the point issue had not been decided in relation to Housing element certification.

Ms. Baldwin brought up the idea of multifamily zoning capacity.

Mr. Batchelder said that it relates to regional share and could be incorporated into the planning category. Those two categories could be combined.

Mr. Brindle asked how the larger share would be quantified.

Ms. Brindley asked about those jurisdictions that were able to substantiate that they had the housing capacity. They can do so without specifying density, and this extra work would seem futile.

Mr. Batchelder replied that different cities approach this differently.

Chair Anderson stated that the point system should be measuring discreet ideas and there are currently four discreet categories. It is important that the categories not overlap.

Ms. Ayres offered another approach that this should be measured not on building permits issued but on entitlements that jurisdictions give because that is what the jurisdiction has control over.

Chair Anderson responded that it would have to be normalized because larger cities might issue significantly more entitlements.

Ms. Baldwin suggested that a jurisdiction that did not have to include a rezoning program in its housing element could receive points, and that a jurisdiction that had to rezone because it did not have enough multifamily zoning would get zero points, but that this may not be acceptable to those that need to rezone because it is a large effort.

Chair Anderson pointed out that this might be a problem for cities that already have the capacity in place because they do not need to hand out entitlements.

Ms. Ayres clarified that the entitlement she spoke of was not for rezoning and general plan amendments but for the last entitlement before the building permit is issued.

Mr. Batchelder voiced that some of that starts to blend in with the rest of the SGIP points.

Mr. Anderson suggested sticking with the four categories.

Ms. Bragado concurred, adding that a 5th category could be held in reserve for some type of normalization, such as a per capita factor.

Mr. Post agreed. An absolute number of what is agreed to is beneficial toward larger cities and puts smaller cities at a disadvantage.

Ms. Ayres thought it was a good idea to pursue a 5th category.
Mr. Wade stated that the RHNA numbers are already lower because jurisdictions already provide a high percentage of lower-income units, without getting credit.

Chair Anderson replied that Imperial Beach already gets credit for having a lot of lower-income households in the RHNA formula.

Mr. Batchelder said that the last category that was mentioned is the first part of column E. He asked if it would be useful to look at how the goals were met per year.

Chair Anderson suggested doing it over three years.

Ms. Ayres suggested making it cumulative. For example, if Del Mar only needs 13 units, then it has already reached 100 percent of its goal.

Mr. Batchelder reminded the TWG of the differences between large and small jurisdictions. For example, he questioned if it was really plausible for Chula Vista to meet its 6,000-unit goal.

Ms. Brindley asked if in talking about percentage of RHNA goals, if that refers to total production of housing.

Mr. Batchelder answered just the lower-income portion of the total RHNA goal.

Ms. Brindley drew attention to the issue of rehabilitation/acquisition and the concern about double-counting.

Ms. Ayres advocated adding the halves together to make wholes. For example, 50 rehab units would give a 25-unit credit toward the cumulative number as a percentage of the lower-income RHNA number.

Chair Anderson provided a summary of the five categories discussed so far:

1) Housing Element compliance
2) RHNA share taken
3) Low-income housing production—total count based on HCD annual report for new units (January 1, 2003) plus 50% of rehabilitation/acquisition deed-restricted low-income units
4) Percentage of total households that are lower-income
5) Percent of RHNA lower-income goals (first part of column E) that have been met

Ms. Brindley stated that the RHNA number is a 7.5-year number, and that the accounting process should reflect the full time period.

Ms. Baldwin said that SANDAG would need to collect another 2.5-years of data, which would start the accounting period in January 2003.

There was general agreement on including production from the whole 7.5-year reporting period.

Chair Anderson asked if the five categories should be weighted evenly.
Mr. Halbert suggested that if they are evenly weighted, each category would receive 15 points. Another option is to award 35 points to Housing Element compliance category and 10 points to the remaining categories.

Mr. Muto stated that the group should allocate percentage points so that the percentages can be applied to other grant programs that would be subject to Policy 33.

Mr. Brindle asked if in the Housing Element compliance category a jurisdiction would receive 15 points for a certified element and 0 points if there is not a certified element.

Ms. Clementson reminded everyone that at the last meeting the TWG agreed that if a jurisdiction did not have a certified element, it would receive 0 points for the entire Policy 33 section of the grant application, but it would still be allowed to apply and compete in the remaining categories.

Mr. Halbert moved to include the five categories to make up the 25% of points for the SGIP. He moved for the criteria to be weighted equally and to replace the previously proposed table.

The motion was seconded and passed, with one opposed.

Mr. Brindle moved that because the intent is to reward those jurisdictions that have received certification, 15 points should be allocated to those that are certified and 0 points should go to the non-certified for this category.

The motion was seconded and passed.

Ms. Clementson reminded the TWG while with the table there is a degree of certainty on the results, with the newly proposed formula the jurisdictions will have to trust SANDAG with the formulas.

Mr. Brindle requested a fallback recommendation from the TWG. He moved to accept the 50/50 weighting in the event the alternative that was just recommended is not accepted.

Mr. Muto stated that he did not see a benefit in supporting this motion. It is not as though the SANDAG Board chooses one way or the other; if it dislikes the TWG recommendation, it does not have to go with the TWG proposed alternative.

Mr. Post noted that this was the original staff recommendation, which gives it some credence and thus it might turn out that way.

Chair Anderson stated that a formal vote is not required but, if staff would like a recommended alternative, the TWG would prefer the 50/50 approach over any other alternative.

Ms. Clementson stated that staff would take the TWG recommendation to the Regional Planning Committee but that the staff recommendation may be different than the TWG recommendation.

Robert Larkins, City of Lemon Grove, foresaw that the next time the SANDAG Board reviews the alternatives it will either say yes or no, and it will most likely revert to the staff recommendation. He
expressed concern that a different staff recommendation would reduce the effectiveness of the TWG recommendation.

Chair Anderson stated that the TWG providing two alternatives would weaken its recommendation. SANDAG staff is free to provide its own recommendation. He encouraged TWG members to go to the RPC meeting to testify.

Mr. Brindle withdrew his motion to accept the 50/50 weighting in the event the alternative recommendation was not approved by the RPC.

**Agenda Item #8: Regional Comprehensive Plan (RCP): Draft 2008 Annual Performance Monitoring Report**

Christine Eary, SANDAG, distributed the Draft 2008 Annual RCP Performance Monitoring Report. This report was just released for a public comment period and staff will be accepting comments until November 6. Ms. Eary summarized the findings from the report. Areas of improvement included: share of new housing units built in Smart Growth Opportunity Areas has increased; annual hours of traffic delay has decreased; transit ridership continues to increase; regional crime rate has continued to decrease; the percentage of waste that was recycled was close to reaching the state mandated target; and recycled water use continues to increase substantially. Areas for improvement include: housing production in the lower-income and moderate-income categories have not kept pace with above-moderate housing production; regionwide the share of commutes made by walking, transit, bicycling, and carpooling/vanpooling have not increased substantially; beach widths decreased in 2007, with some beach widths decreasing to narrower widths than in 2005; unemployment increased for the first time in three years; per capita energy usage in the region continued to increase further away from the target established in Regional Energy Strategy; and plans estimate that the region will reach physical landfill capacity in 2016, but unless proposed permit changes are implemented, permitting capacity could be reached by 2016.

**Agenda Item #9: Proposal for “On-call” Smart Growth Visual Simulation Services**

Ms. Gregor, due to a shortage of time, gave a condensed presentation of the 2D and 3D visual simulations. The purpose of the presentation was to remind jurisdictions of the visual simulations and to gauge demand for proposed on-call simulation services. If there is an interest, SANDAG will prepare an on-call contract with the consultant(s) so that they will be available to meet the needs of the jurisdictions. She announced that staff would e-mail a survey and that the results of the survey would be used to determine whether SANDAG would proceed with providing on-call services. The costs are expected to be between $8,000 and $12,000 for 2D simulations and $30,000 to $60,000 for the 3D simulations, which consist of larger planning areas (4-6 blocks).

**Agenda Item #10: Series 12 Regional Growth Forecast (Beth Jarosz)**

Beth Jarosz, SANDAG, announced that the November TWG meeting will focus on the Series 12 Regional Growth Forecast and she provided background information in preparation for that meeting.

As part of the forecasting process, staff starts out with a regionwide forecast of population, housing, and job growth based on demographic and economic trends. Past years have generated
information that shows that there is not enough room to accommodate all of the projected growth under current plans and policies. Under interregional modeling assumptions, SANDAG has been assuming that some of the additional growth goes into surrounding areas, such as southwestern Riverside and northern Baja California. However, with the upcoming forecast it will not be possible to accommodate all of the additional growth by presuming that the growth occurs outside of San Diego County’s boundaries.

The November meeting will focus on collecting land use inputs to determine the region’s remaining housing capacity under current plans and policies. This land use information will serve as the basis for the “existing plans” inputs to the forecast, and will also be used to identify the magnitude of the discrepancy between planned capacity and projected growth. The November meeting will also set the stage for developing possible planning strategies for dealing with projected growth after 2030-2035.

For transportation planning purposes, SANDAG is bound to create an Existing Plans and Policies Forecast, and in order to do that it needs the most current information about the land use within each jurisdiction. Staff needs to have accurate information on existing buildings, the parcels under development, and the most recent general plan updates. At the November meeting, staff will present three maps that depict this information. It is important that the staff person responsible for forecasting from each jurisdiction be present at the November meeting so that they can receive background information on the process. The schedule for the forecast is included in the staff report.

Chair Anderson asked if and how the forecasting process would be coordinated with the urban water management plan.

Ms. Jarosz explained that the forecasting process will involve staff from the San Diego County Water Authority and the local water agencies. Anticipated development projects over 500 units need to go through a special water certification process. This is important to consider when providing SANDAG with input.

**Agenda Item #11: Adjournment and Next Meeting**

The next TWG meeting will be held on Thursday, November 13, 2008, from 1:15-3:15 p.m., and will be dedicated to discussing the Regional Growth Forecast.
1. Annual Reporting/Annual Progress Report to HCD
   a. Report building permits - **TWG consensus**
   b. Submit only building permit data from HCD annual report forms if no annual report is prepared - **TWG consensus**

2. Update Funding Sources Subject to Policy
   a. Update Attachments 2 and 3 with current funding sources subject to and not subject to Policy 33 - **TWG consensus**
   b. Remove Senior Transportation Mini-grant Program - **TWG consensus**

3. Time Period for Reporting Lower Income Housing
   a. Use most recent Annual Housing Element Progress Report (April 1, 2008 for 2005 – 2007 timeframe) (Staff proposal)
   b. Allow jurisdictions the option of reporting lower income units through the date of the call for projects - **TWG consensus** (members expressed concerns about using different timeframes -- comparing apples and oranges)
   c. Another option: collect building permit issuance data through 2008 for upcoming SGIP call for projects

4. Making Progress Toward Implementation of Rezoning Programs
   a. Eliminate requirement from Policy 33 because of the difficulty in assessing progress - **TWG consensus**

5. Housing Element Compliance
   a. Letter of compliance from HCD – eligible for all potential incentive points - **TWG consensus**
   b. Draft housing element in review by HCD – eligible for funding but no incentive points - **TWG consensus** (8-4 vote)

6. Award of Incentive Points
   a. Two major options discussed at September 30 TWG meeting and October 8, 2008 a.m. meeting with Chula Vista, Coronado, Escondido, Imperial Beach, and San Diego
      i. Use first column G (50/50) alternative
      ii. Break 25 percent (75 points for SGIP) into 5 categories of 5 percent (15 points) each; for example: housing element compliance, RHNA production, lower income production, MF zoning capacity related to RHNA goals, existing distribution of lower income households (This approach would recognize the various components of affordable housing production)
   b. What should count?
      i. New units and acquisition/rehabilitated units if identified in housing element
      ii. Acq/rehab units, second units, other affordable housing opportunities?
      iii. Deed restricted units only
      iv. Net increase (subtracting demolitions) in units
      v. Data from January 1, 2003 to June 30, 2005 (7.5 year goals)
## Data for Use in Implementing Board Policy No. 033
### October 9, 2008 Draft

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*Notes:
- Points have been calculated according to the SGIP, which includes 75 points out of 300 (or 25% of the points) for the Policy 33 criterion.
- 2.5 years covers the period from July 1, 2005 to December 31, 2007. Depending on the chosen method of calculation, percentages over 100% may only receive a maximum 75 points.
- Data self-reported by jurisdictions. Totals may be affected by rounding.
ANNUAL REVIEW OF AND PROPOSED AMENDMENTS TO
BOARD POLICY NO. 033: GUIDELINES FOR SANDAG
REGIONAL HOUSING NEEDS ASSESSMENT MEMORANDUM

Introduction


Policy 33 sets forth guidelines for incentives related to the RHNA for the 2005-2010 housing element cycle for the San Diego region. As part of the approval of the final RHNA, on February 25, 2005, the Board also approved a memorandum (RHNA memorandum) that included certain financial incentives to jurisdictions based on housing element compliance and lower-income housing production.

Policy 33 requires that a review be performed annually. This review is being undertaken in anticipation of the TransNet Smart Growth Incentive Program. A call for projects for this program is scheduled to be issued in November or December of 2008.

As part of the 2008 annual review of Policy 33, several amendments are being proposed. This report describes the proposed amendments and a strike-out/underlined version of Policy 33 is attached. The Regional Planning Technical Working Group (TWG) and Regional Housing Working Group (RHWG) discussed amendments to Policy 33 during several meetings in September and October 2008. Also, an information report on the annual review of Policy 33 and the associated technical and policy issues was presented to the Regional Planning Committee (RPC) on October 3, 2008.

Discussion

At its October 3, 2008, meeting, staff presented an information report to the RPC that provided an overview of how Policy 33 has been implemented since its adoption, the key principles expressed in the RHNA memorandum, and the policy and technical issues associated with the annual review. The proposed amendments to Policy 33 are described below and shown in the attached strike-out/underlined version of the policy.
Policy 33 Policy Issues - Proposed Amendments

Award of Incentive Points

After discussing a number of ways to award the incentive points included in the original RHNA memorandum (25 percent of the total points for each program subject to the policy), the TWG recommends that a significant change be made to how these points are awarded. Instead of calculating lower-income housing production based only on one factor (affordable housing produced in relation to RHNA Alternative 3 as the policy calls for now), the TWG proposes that affordable housing performance be assessed using five factors. Each factor, described below, would be worth one-fifth of the total points. (The Proposed Amendments to Board Policy No. 033 attached to this report includes a new Attachment 5, Description of How to Calculate the Board Policy No. 033 Incentive Points, which describes the five factors and replaces the original Attachment 5, Hypothetical Allocation of Incentive Points.)

1. **Housing Element Compliance**: One-fifth of the total Policy 33 points associated with a funding program would be awarded to projects located in jurisdictions with a housing element found in compliance with state housing element law by HCD at the time of the funding program’s application deadline. No points would be awarded to projects in jurisdictions that have not received a letter of compliance from HCD. (Note: Jurisdictions without completed housing elements would, however, be eligible to apply for funding subject to the proposed amendments to Policy 33.)

2. **Greater RHNA Share Taken**: One-fifth of the total Policy 33 points would be awarded to projects located in jurisdictions that accepted a greater share of the lower-income RHNA goals in the adopted RHNA (Modified Alternative 1) as compared to Alternative 3. Jurisdictions whose lower-income RHNA goals were the same in Modified Alternative 1 and Alternative 3 would receive half of the points, and jurisdictions that received a lesser share of the lower-income RHNA goals in the adopted RHNA would receive no points associated with this factor.

3. **Regional Share of Cumulative Total of Lower-Income Units Produced**: One-fifth of the total Policy 33 points would be awarded based on each jurisdiction’s share of the total number of lower-income units produced. For example, if a jurisdiction produced 20 percent of the affordable lower-income units produced in the region during the time frame assessed, the points would be calculated as follows: \(0.2 \times \left(\frac{1}{5} \times \text{total Policy 33 points}\right) = X\) points.

The TWG also recommended that units that are acquired/rehabilitated and rent restricted at affordable levels for lower-income households for a period of 30 years or longer receive 50 percent credit (one half a unit). These units also would be counted in the same way in calculating the fourth factor described below. Units that are acquired/rehabilitated/rent restricted that were counted in a housing element to meet the site identification requirements of a jurisdiction’s lower-income RHNA goals per housing element law would be counted as a full unit.

4. **Percent of Cumulative Alternative 3 Lower-Income RHNA Goal Met**: One-fifth of the total Policy 33 points would be awarded based on the percentage of affordable lower-income housing produced in each jurisdiction as compared to the Cumulative Alternative 3 RHNA Lower-Income Goal (Alternative 3 lower-income goal divided by the time frame – months/years-
For example, if a jurisdiction produced 100 percent of its cumulative Alternative 3 goal it would receive the total points associated with this factor, and if a jurisdiction produced 20 percent of its Alternative 3 goal the points would be calculated as follows: 

\[ \text{.2 x (1/5 x total Policy 33 points) = X points.} \]

5. **Percent of Lower-Income Households**: One-fifth of the total Policy 33 points would be awarded based on the percent of lower-income households residing in each jurisdiction. For example, if 27 percent of the jurisdiction’s households are in the lower-income category a project would receive 27 percent of the total Policy 33 points associated with this factor (.27 x 1/5 x Policy 33 points = X points), and if 61 percent of the jurisdiction’s households are in the lower-income category it would receive 61 percent of the total Policy 33 points associated with this factor (.61 x 1/5 x Policy 33 points = X points).

To calculate the points associated with factors three and four, above, jurisdictions will need to provide SANDAG with the number of units that were acquired/rehabilitated and rent restricted during the current housing element cycle, as this data was not previously collected.

Also, jurisdictions will need to provide SANDAG with new residential building permits and permits for units that were acquired/rehabilitated between January 1, 2003, and June 30, 2005, to correctly assess the progress made during the 2005–2010 housing element cycle to date. This 2½-year period of time is included in each jurisdiction’s RHNA goals, which covers a 7½-year period.

**Housing Element Compliance**

Currently, Policy 33 requires that jurisdictions have a housing element that has been found in compliance with state law by HCD to be eligible to apply for funding. Eleven jurisdictions are now in compliance; eight have submitted draft housing elements to HCD for review but have not yet been found in compliance.

The TWG recommends that housing element compliance be eliminated as an eligibility requirement, but that as shown in the first factor above, jurisdictions with a housing element in compliance by the application deadline for the funding program receive the full number of points associated with this factor; jurisdictions without a letter of compliance from HCD would receive no points.

**Progress Toward Rezoning Actions**

Policy 33 refers to the requirement in housing element law that a jurisdiction unable to identify adequate sites to meet its lower-income RHNA goals shall include a rezoning program in its housing element to identify additional multifamily sites, and requires those jurisdictions to demonstrate progress toward implementing the rezoning program in compliance with the housing element program schedule. The TWG recommends eliminating this requirement due to the subjectivity in evaluating compliance.
Policy 33 Technical Issues - Proposed Amendments

Changes in Reporting

The TWG recommends that jurisdictions report the number of new residential units produced based on the number of building permits issued, not certificates of occupancy or final inspections as the policy originally required. This change would make the reporting consistent with the information that jurisdictions are required to submit to HCD in their Annual Housing Element Progress Reports on April 1 each year for the preceding calendar year. Jurisdictions also must report to SANDAG the number of additional acquired/rehabilitated/rent restricted units that have been provided during the same time period. The proposed amendment also specifies that this information must be submitted to SANDAG on HCD’s forms at the same time it is submitted to HCD as an eligibility requirement for funding programs subject to Policy 33.

Update of SANDAG Funding Sources Affected by Board Policy No. 033 (Attachments 2 and 3)

The TWG recommends updating Attachments 2 and 3 of Policy 33 to reflect current information about the funding sources it affects. In addition, as reported in the previous RPC report, an amendment is proposed to eliminate an inconsistency between two sections of the policy with respect to the Senior Transportation Mini-Grant Program, resulting in its removal from the list of projects subject to the policy. Additionally, as new funding sources become available, it is proposed that the RPC be authorized to review and make recommendations to the Board of Directors regarding whether the new funding sources should be subject to Policy 33.

Time Period for Evaluation of Lower-Income Housing Production

The TWG recommends amending Policy 33 to provide flexibility in the time period for evaluating lower-income housing production as proposed by the City of Lemon Grove. Unless requested otherwise, SANDAG would use the most recent Annual Housing Element Progress Report for the preceding calendar year to award points for responding to a call for projects. A jurisdiction could, however, alternatively, submit the latest building permit data up to the date of a call for projects for use in calculating incentive points. Jurisdictions choosing this option would be evaluated based on the percentage of new lower-income residential units permitted from the beginning of the housing element cycle through the date of the call for projects (a longer time period than covered by the annual report).

Other Technical Edits

SANDAG staff also is proposing other technical edits to simplify the policy. These technical edits include removing criteria for the completed Pilot Smart Growth Incentive Program and the verbatim text from the RHNA Memorandum.

Next Steps

The purpose of Board Policy No. 033 is to incentivize housing element compliance and reward jurisdictions for the production of affordable lower-income housing units. The next program that this Policy will affect is the TransNet Smart Growth Incentive Program (SGIP).
Following the November 7, 2008, RPC meeting, the proposed amendments to Policy 33 will be presented to the Executive Committee, which will meet on November 14, 2008. The Board will be asked to take action on the annual review of and proposed amendments to Policy 33 at its November 21 meeting.

BOB LEITER
Director of Land Use and Transportation Planning

Attachment: Proposed Amendments to Board Policy No. 033 – 11/7/08

Key Staff Contact: Susan Baldwin, (619) 699-1943, sba@sandag.org
Proposed Amendments to Board Policy No. 033

11/7/08

IMPLEMENTATION GUIDELINES FOR SANDAG REGIONAL HOUSING NEEDS ASSESSMENT MEMORANDUM

Purpose

The purpose of this policy is to provide guidelines on the implementation of the memorandum adopted by the SANDAG Board of Directors on February 25, 2005, in association with the adoption of the 2005–2010 Regional Housing Needs Assessment (RHNA) (Attachment 1.1, referred to herein as the “Memorandum”). The Memorandum laid out specific provisions regarding SANDAG’s allocation of discretionary funding to local agency projects in relation to local jurisdiction housing element compliance and lower income housing production.

These implementation guidelines restate the provisions of the Memorandum and define how they will be implemented. The numbered italicized wording in this Policy is taken verbatim from the Memorandum; the implementation guidelines are contained in the text that follows. This policy shall be reviewed and evaluated annually to determine whether changes to the guidelines are needed. Issues to be considered during the annual review include, but are not limited to: lessons learned during the prior year, the relationship between the RHNA memorandum and SANDAG’s smart growth goals, and new funding sources proposed to be subject to the memorandum.

This policy was first approved by the SANDAG Board in April 2006. In November 2008, as part of the annual review of this policy, several amendments were made to refine the implementation of the Memorandum. These amendments removed the section of the original policy that referred to the Pilot Smart Growth Incentive Program and the verbatim sections of the Memorandum.

Pilot Smart Growth Implementation Program

1. Jurisdictions whose 1999 lower income households as a percentage of total households is estimated to be greater than the regional average shall receive 15 bonus points (out of 100 possible) for projects requesting funding through the Pilot Smart Growth Incentive Program. (This would include National City, El Cajon, Imperial Beach, Lemon Grove, La Mesa, Escondido, Vista, Chula Vista, San Diego, and San Marcos.)

1.1 This provision of the Memorandum has been implemented. The Pilot Smart Growth Incentive Program criteria, which were approved by the SANDAG Board on April 22, 2005, included the required bonus points for the cities noted above (22 points out of 147 points – 15 percent of the total points awarded).

Future Discretionary Funding Criteria
2. In addition to the current Pilot Smart Growth Incentive Program, for all future discretionary funding allocated to local agency projects by SANDAG (following the adoption by jurisdictions of housing elements for 2005-2010), the following criteria shall apply:

a. In order to qualify for such funding, a jurisdiction will be required to demonstrate that it is in compliance with provisions of its adopted housing element which set forth their commitment to providing adequate multi-family zoned land or other actions necessary to accommodate their share of lower income housing under the adopted RHNA.

b. Incentive points (a minimum of 25 points out of 100 possible) will be given to projects in jurisdictions in which lower income housing units are being produced in accordance with the housing unit figures contained in Alternative 3.

c. In order to verify compliance with these provisions, each jurisdiction shall annually submit a report to SANDAG indicating its progress in complying with requirements of its housing element, as well as actual production of housing units within its jurisdiction by income category, during the preceding year.

2.1 To implement Items 2.a. – 2.c. The section of the Memorandum, "discretionary funding allocated to local agency projects by SANDAG" shall be defined as: funds allocated by SANDAG only to local jurisdictions (the cities or County) through a competitive process. These funds are listed in Attachment 1.2 and include the TransNet Smart Growth Incentive Program, Transportation Development Act (TDA) Non-motorized Program, and TransNet Bicycle Program, among others.

2.2 The following types of funding shall not be subject to the provisions of the Memorandum:

- 2.2.1 Formula funds allocated by population or number of miles, because they are not allocated on a competitive basis.

- 2.2.2 Discretionary funds allocated to Caltrans, the two transit agencies, and SANDAG because they are not local agencies.

- 2.2.3 Funds allocated directly by Caltrans to local jurisdictions because SANDAG is not involved in their allocation.

- 2.2.4 Funds which can be allocated to entities other than local jurisdictions (e.g., TransNet Environmental Mitigation Program Regional Habitat Conservation Fund and the Senior Transportation Mini-grant Program).

Attachment 1.3 provides a more detailed list of funding sources/programs that shall not be subject to the Memorandum.

2.3 As new funding sources become available, the Regional Planning Committee (RPC) shall review and make a recommendation to the Board of Directors as to whether they should be subject to the Memorandum and this Policy shall be amended.

2.4 To be eligible to apply for future discretionary funding allocated by SANDAG to local agency projects, local jurisdictions shall do the following:
2.4.1 During the first year of the housing element cycle (July 1, 2005 – June 30, 2006), a jurisdiction shall have submitted a draft of its housing element to HCD or have self-certified its housing element in compliance with state law by the due date for the grant application. This screening criterion shall apply for any discretionary funding programs subject to the Memorandum whose application due date is between July 1, 2005, and December 31, 2006.

2.4.2 Starting January 1, 2007, jurisdictions shall be required to have adopted housing elements, (which have been found in compliance with state law by HCD or self-certified). Also, those jurisdictions that were not able to identify adequate sites to meet their RHNA goals and were required to include a program in their housing element to identify additional sites by rezoning must be able to demonstrate that they are making progress toward implementing the rezoning program in conformance with the schedule contained in their housing elements. "Making progress" toward implementing the rezoning program is defined as having demonstrated a good faith effort in undertaking the rezoning program described in the housing element.

4.1 2.4.3 Starting in 2006, jurisdictions shall be required to submit an annual report with the information described in Section 2.2.3.1 below in order to be eligible for funding programs for the following calendar or fiscal year, whichever is applicable. This annual report shall include the same information that HCD requests in the Annual Housing Element Progress reports required by housing element law, as well as the information described below, and shall be submitted to SANDAG by the deadline in state law. The report must be have been submitted to SANDAG prior to the application due date for the funding source. The first annual reports are due on October 1, 2006, and cover the first year of the 2005-2010 housing element cycle (July 1, 2005 – June 30, 2006). Starting in 2007, the reports will be due on April 1 per Senate Bill 253 (Torlakson), which changed the state’s reporting time frame to the calendar year and the reporting due date to April 1 of each following year. SANDAG will prepare a report with this information for review by the Regional Planning Technical Working Group, Regional Housing Working Group, and Regional Planning Committee each year. Funding applications subject to this policy shall be evaluated based on the annual report for the preceding year that was submitted to SANDAG and HCD. If a jurisdiction wishes to submit data through the date of the call for projects at the time of the application due date (i.e., covering a time period beyond the previous calendar year) it may do so and will be evaluated based on the time period for which the data was submitted.

4.2 2.4.3.1 The annual report shall provide information regarding the number of building permits issued for new residential construction actual production of housing units by all four income categories (very low, low, moderate, and above moderate) using the forms provided by HCD for its Annual Housing Element Progress Report. If the report is submitted for the first time in years two, three, four, or five of the housing element cycle, it shall include the total number of building permits issued for new residential construction by income category during each year of the housing element cycle (including the two and a half years preceding the housing element due date). The annual report also shall indicate how many acquired/rehabilitated/rent restricted units were permitted during each year (if relevant) progress toward complying with any rezoning programs
2.5 The Memorandum Item 2.b. ties the allocation of funding to the local jurisdiction progress toward the production of lower income housing through the award of incentive points (a minimum of 25 points out of 100 or 25 percent of the total points in a funding program) based on the number of lower income housing units produced in accordance with RHNA Alternative 3. During the 2008 annual review of this policy, the award of incentive points was expanded to include five factors, each of which was assigned a value of one-fifth of the total points including: 1) Housing Element Compliance, 2) Greater RHNA Share Taken, 3) Regional Share of Cumulative Total of Lower-Income Units Produced, 4) Percent of Cumulative Alternative 3 Lower Income RHNA Goal Met (Attachment 4), and 5) Percent of Lower-Income Households the number of lower income housing units produced in accordance with RHNA Alternative 3 (Attachment 1.4).

2.5.1 Production of lower income housing units will be evaluated and points awarded for each application for discretionary funds based on the percentage of lower income (total very low and low combined) units that were produced in the jurisdiction. The number of lower income units will be calculated for each year on a cumulative basis, and compared to annualized RHNA Alternative 3 numbers. An example of the methodology used to calculate the incentive points is shown in Attachment 1.5. Units shall be counted based on certificates of occupancy or final inspection. Lower income units that were acquired and rehabilitated may only count toward the RHNA Alternative 3 goals when this type of unit was used to meet the site identification requirements for the RHNA numbers as permitted in state law. Attachment 5 provides a detailed description of how the incentive points will be calculated for each of the five factors.

Attachments: 1. February 25, 2005, RHNA Memorandum to SANDAG Board of Directors
2. Discretionary Funding Programs Subject to Board RHNA Memorandum
3. Funding Programs Not Subject to Board RHNA Memorandum
4. Final Regional Housing Needs Assessment Modified Alternative 1 (Adopted RHNA) and Alternative 3
5. Example – Hypothetical Allocation of Incentive Points Description of How to Calculate the Board Policy No. 033 Incentive Points
February 25, 2005

TO: SANDAG Board of Directors

FROM: Mayor Lorn Pfeiler, Mayor Steve Padilla, and Councilmember Jim Madaffer

SUBJECT: Agenda Item No. 12 – Final Regional Housing Needs Assessment (RHNA)

Our regional housing needs are significant – both now and in the future. Addressing these needs is often a complex process when dealing with the varied interests of the cities in our region. We are committed to doing everything we can to address our regional housing needs. Recognizing the differences between the cities, we are proposing an incentive-based compromise to the RHNA Modified Alternative 1. Simply put, for those cities that are willing and able to accommodate additional housing, those cities should be compensated through incentives that would help improve existing as well as future infrastructure.

We recommend the Board approve Modified Alternative 1, with the following provisions:

1. Jurisdictions whose 1999 lower income households as a percentage of total households is estimated to be greater than the regional average (Attachment 2, Column 1) shall receive 15 bonus points (out of 100 possible) for projects requesting funding through the Pilot Smart Growth Incentive Program. (This would include National City, El Cajon, Imperial Beach, Lemon Grove, La Mesa, Escondido, Vista, Chula Vista, San Diego, and San Marcos.)

2. In addition to the current Pilot Smart Growth Incentive Program, for all future discretionary funding allocated to local agency projects by SANDAG (following the adoption by jurisdictions of housing elements for 2005-2010), the following criteria shall apply:

   a. In order to qualify for such funding, a jurisdiction will be required to demonstrate that they are in compliance with provisions of their adopted housing element which set forth their commitment to providing adequate multi-family zoned land or other actions necessary to accommodate their share of lower income housing under the adopted RHNA.

   b. Incentive points (a minimum of 25 points out of 100 possible) will be given to projects in jurisdictions in which lower income housing units are being produced in accordance with the housing unit figures contained in Alternative 3 (Attachment 2, Column 13).

   c. In order to verify compliance with these provisions, each jurisdiction shall annually submit a report to SANDAG indicating their progress in complying with requirements of their housing element, as well as actual production of housing units within their jurisdiction by income category, during the preceding year.
## DISCRETIONARY FUNDING PROGRAMS

**SUBJECT TO BOARD RHNA MEMORANDUM**

(LOCAL JURISDICTION PROJECTS)

<table>
<thead>
<tr>
<th>Funding Programs</th>
<th>Total Funding</th>
<th>Timeframe Available</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Transportation Enhancements (TE) Program – Pilot Smart Growth Incentive Program</td>
<td>TBD</td>
<td>FY 2006 to FY 2010</td>
</tr>
<tr>
<td></td>
<td>$19.1 M</td>
<td>FY 2010 to FY 2011</td>
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<tr>
<td></td>
<td>$6.4 M</td>
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<tr>
<td>State</td>
<td></td>
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<tr>
<td>• Transportation Development Act (TDA) Article 3 – Non-motorized Program</td>
<td>$2.4 M (FY-2006 allocation)</td>
<td>Annual apportionments</td>
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<tr>
<td></td>
<td>$2.5 M (FY-2007 allocation)</td>
<td></td>
</tr>
<tr>
<td>Local</td>
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</tr>
<tr>
<td>• TransNet Bicycle, Pedestrian and Neighborhood Safety Program</td>
<td>$280 M*</td>
<td>2009 to 2048</td>
</tr>
<tr>
<td>• TransNet Smart Growth Incentive Program</td>
<td>$285 M*</td>
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</tr>
<tr>
<td>• TransNet Bicycle Program</td>
<td>$3 M</td>
<td>$1 M annually from 2006 to 2008</td>
</tr>
<tr>
<td><strong>Future</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• To be determined (TBD)</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>State*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• TBD</td>
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<td>TBD</td>
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<tr>
<td>Local</td>
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<tr>
<td>• TransNet Bicycle, Pedestrian and Neighborhood Safety Program</td>
<td>$280 M*</td>
<td>2009 to 2048</td>
</tr>
<tr>
<td>• TransNet Smart Growth Incentive Program</td>
<td>$285 M*</td>
<td></td>
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<tr>
<td>• TransNet Senior Transportation Mini-grant Program</td>
<td>$73 M*</td>
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</tr>
<tr>
<td>Regional Rail Grade Separation Program (Funding source TBD)</td>
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<td>$100 M in Revenue Constrained</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$200 M in MOBILITY-2030 Plan</td>
</tr>
</tbody>
</table>

* In 2002 dollars

1 In prior funding cycles, the SANDAG Board of Directors has allocated funding to local jurisdictions through a competitive process for Regional Arterial System, Traffic Signal Optimization, Highway Noise Barrier, Regional Bikeway, and Transportation Enhancements programs. To the extent that such competitive funding programs are made available in the future, they would be subject to the Board RHNA memorandum.
<table>
<thead>
<tr>
<th>Current Funding Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal²</td>
</tr>
<tr>
<td>• Regional Surface Transportation Program (RSTP)²</td>
</tr>
<tr>
<td>• Congestion Mitigation &amp; Air Quality (CMAQ)²</td>
</tr>
<tr>
<td>• Transportation Enhancement (TE) Program²</td>
</tr>
<tr>
<td>• Federal Transit Administration (FTA) Urbanized Area Formula Program (Section 5307)</td>
</tr>
<tr>
<td>• FTA Fixed Guideway Modernization Program (Section 5309 Rail Mod)</td>
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<tr>
<td>• FTA Section 5310 Elderly &amp; Disabled Program</td>
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<tr>
<td>• FTA New Freedom Program</td>
</tr>
<tr>
<td>• FTA Job Access and Reverse Commute (JARC) Program</td>
</tr>
<tr>
<td>State²</td>
</tr>
<tr>
<td>• State Transportation Improvement Program (STIP) – Regional Improvement Program (RIP)²</td>
</tr>
<tr>
<td>• STIP – Interregional Improvement Program (IIP)</td>
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<tr>
<td>• State Highway Operation and Protection Program (SHOPP)</td>
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<tr>
<td>• TDA Article 4 – General Public Transit Services (Fixed Transit Route Services)</td>
</tr>
<tr>
<td>• TDA Article 4.5 – Community Transit Service (Accessible Service for the Disabled)</td>
</tr>
<tr>
<td>• TDA Article 8 – Special Provisions (Express Bus and Ferry Services)</td>
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<tr>
<td>• TDA Planning and Administration</td>
</tr>
<tr>
<td>• State Transit Assistance (STA)</td>
</tr>
<tr>
<td>Local</td>
</tr>
<tr>
<td>• TransNet Highway Program</td>
</tr>
<tr>
<td>• TransNet Transit Program</td>
</tr>
<tr>
<td>• TransNet Local Streets &amp; Roads Program</td>
</tr>
<tr>
<td>• TransNet Senior Transportation Mini-grant Program</td>
</tr>
<tr>
<td>• TransNet Congestion Relief Program – Major Transportation Corridor Improvements</td>
</tr>
<tr>
<td>o Highway &amp; transit capital projects</td>
</tr>
<tr>
<td>o Operating support for bus rapid transit (BRT) &amp; rail transit capital improvements</td>
</tr>
<tr>
<td>• TransNet Congestion Relief Program – Transit System Services Improvements &amp; Related Programs</td>
</tr>
<tr>
<td>• TransNet Congestion Relief Program – Local System Improvements &amp; Related Programs</td>
</tr>
<tr>
<td>o Local Street &amp; Road Program</td>
</tr>
<tr>
<td>• Environmental Mitigation Program (EMP)²</td>
</tr>
<tr>
<td>• TransNet Administration and Independent Taxpayer Oversight Committee (ITOC)</td>
</tr>
<tr>
<td>Future Funding Programs</td>
</tr>
<tr>
<td>Federal – same as current programs above</td>
</tr>
</tbody>
</table>

1 There are a variety of federal and state discretionary funding programs allocated directly by Caltrans that provide funding to local jurisdictions (e.g., Highway Bridge Repair & Replacement [HBRR], Safe Routes to School, etc.). Because SANDAG does not have decision-making authority over these funding programs, they would not be subject to the Board RHNA memorandum.

2 With the exception of the EMP funds, these funds (STIP-RIP, RSTP, CMAQ, TE) are being used to match the TransNet Early Action Program (EAP) and other high priority regional projects. If, however, some portion of these funds were allocated by the SANDAG Board of Directors to local jurisdictions through a competitive process, they would be subject to the Board RHNA memorandum and this policy.
### FUNDING PROGRAMS NOT SUBJECT TO BOARD RHNA MEMORANDUM

<table>
<thead>
<tr>
<th><strong>Current Funding Programs</strong></th>
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<tr>
<td><strong>State</strong></td>
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<td><strong>Local</strong></td>
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<tr>
<td>1. TransNet Congestion Relief Program – Major Transportation Corridor Improvements</td>
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<tr>
<td>a. Highway &amp; transit capital projects</td>
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<tr>
<td>b. Operating support for bus rapid transit (BRT) &amp; rail transit capital improvements</td>
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<td>2. TransNet Congestion Relief Program – Transit System Services Improvements &amp; Related Programs</td>
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<tr>
<td>3. TransNet Congestion Relief Program – Local System Improvements &amp; Related Programs</td>
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<tr>
<td>a. Local Street &amp; Road Program</td>
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<tr>
<td>4. Environmental Mitigation Program (EMP)²</td>
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</tr>
<tr>
<td>5. TransNet Administration and Independent Taxpayer Oversight Committee (ITOC)</td>
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</tr>
<tr>
<td>1.</td>
<td></td>
</tr>
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</table>
### Final Regional Housing Needs Assessment
**Modified Alternative 1 (Adopted RHNA) and Alternative 3**

<table>
<thead>
<tr>
<th>Regional Share</th>
<th>Very Low</th>
<th>Low</th>
<th>Moderate</th>
<th>Above</th>
<th>Very Low</th>
<th>Low</th>
<th>Moderate</th>
<th>Above</th>
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<td>1,922</td>
<td>1,460</td>
<td>1,583</td>
<td>3,411</td>
<td>2,506</td>
<td>1,816</td>
<td>1,583</td>
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<td>Chula Vista</td>
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<td>2,945</td>
<td>3,255</td>
<td>7,148</td>
<td>3,730</td>
<td>2,592</td>
<td>3,255</td>
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<td>14</td>
<td>11</td>
<td>12</td>
<td>27</td>
<td>20</td>
<td>14</td>
<td>12</td>
</tr>
<tr>
<td>Del Mar</td>
<td>25</td>
<td>6</td>
<td>4</td>
<td>5</td>
<td>10</td>
<td>7</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>El Cajon</td>
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<td>86</td>
<td>75</td>
<td>117</td>
<td>343</td>
<td>86</td>
<td>75</td>
<td>117</td>
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<td>392</td>
<td>299</td>
<td>324</td>
<td>697</td>
<td>502</td>
<td>373</td>
<td>324</td>
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<td>461</td>
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<td>16</td>
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<td>16</td>
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<td>68</td>
<td>75</td>
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<td>79</td>
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<td>75</td>
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<td>Lemon Grove</td>
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<td>46</td>
<td>118</td>
<td>46</td>
<td>32</td>
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<td>National City</td>
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<td>18</td>
<td>39</td>
<td>60</td>
<td>202</td>
<td>18</td>
<td>39</td>
<td>60</td>
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<td>Oceanside</td>
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<td>1,098</td>
<td>1,214</td>
<td>2,666</td>
<td>1,454</td>
<td>1,042</td>
<td>1,214</td>
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<td>505</td>
<td>419</td>
<td>288</td>
<td>235</td>
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<tr>
<td>San Diego - Original</td>
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<td>10,292</td>
<td>7,822</td>
<td>8,645</td>
<td>18,983</td>
<td>9,195</td>
<td>7,834</td>
<td>8,645</td>
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</table>

<table>
<thead>
<tr>
<th>Units to/from Unincorporated Area</th>
<th>353</th>
<th>268</th>
<th>0</th>
<th>(621)</th>
<th>418</th>
<th>292</th>
<th>0</th>
<th>(709)</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Diego - Revised*</td>
<td>45,741</td>
<td>10,645</td>
<td>8,090</td>
<td>8,645</td>
<td>18,362</td>
<td>9,613</td>
<td>8,126</td>
<td>8,645</td>
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<td>San Marcos</td>
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<td>1,407</td>
<td>1,069</td>
<td>1,182</td>
<td>2,595</td>
<td>1,434</td>
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<td>1,182</td>
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<tr>
<td>Santee</td>
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<td>317</td>
<td>241</td>
<td>261</td>
<td>562</td>
<td>384</td>
<td>261</td>
<td>261</td>
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<tr>
<td>Solana Beach</td>
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<td>30</td>
<td>22</td>
<td>25</td>
<td>53</td>
<td>37</td>
<td>30</td>
<td>25</td>
</tr>
<tr>
<td>Vista</td>
<td>2,267</td>
<td>510</td>
<td>388</td>
<td>428</td>
<td>941</td>
<td>511</td>
<td>305</td>
<td>428</td>
</tr>
</tbody>
</table>

| Unincorporated Area - Original   | 12,358 | 2,781 | 2,113 | 2,336 | 5,129 | 3,217 | 2,251 | 2,336 | 4,554 |

<table>
<thead>
<tr>
<th>Units to/from Unincorporated Area</th>
<th>(353)</th>
<th>(268)</th>
<th>0</th>
<th>621</th>
<th>(418)</th>
<th>(292)</th>
<th>0</th>
<th>709</th>
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</thead>
<tbody>
<tr>
<td>Unincorporated Area - Revised*</td>
<td>12,358</td>
<td>2,476</td>
<td>1,881</td>
<td>2,336</td>
<td>5,666</td>
<td>2,799</td>
<td>1,959</td>
<td>2,336</td>
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<td>San Diego Region</td>
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<td>24,143</td>
<td>18,348</td>
<td>20,280</td>
<td>44,530</td>
<td>24,144</td>
<td>18,348</td>
<td>20,280</td>
</tr>
</tbody>
</table>

Note: Some jurisdiction allocations by income category were adjusted slightly to ensure that regional income category percentages provided by the California Department of Housing and Community Development (HCD) -- 22.5 percent very low income, 17.1 percent low income, 18.9 percent moderate income, and 41.5 percent above moderate income -- were met.

*Adjusted to reflect transfer of lower income units from Unincorporated Area to City of San Diego.

**Modified Alternative 1 was approved by the SANDAG Board on February 25, 2005.

***Alternative 3 is referenced in the memorandum approved by the SANDAG Board in conjunction with the approval of the Final RHNA.

Totals may be affected by rounding.

March 18, 2005
Description of How to Calculate the Board Policy No. 033 Incentive Points

The following five factors, weighted equally, will be used to calculate the incentive points (25 percent of the total points for each program subject to Board Policy No. 033).

1. **Housing Element Compliance**: One-fifth of the total Policy 33 points would be awarded to projects located in jurisdictions with a housing element found in compliance with state housing element law by HCD at the time of the funding program’s application deadline. No points would be awarded to projects in jurisdictions that have not received a letter of compliance from HCD. (Note: Jurisdictions without completed housing elements would, however, be eligible to apply for funding subject to Policy 33 and could receive points based on factors two through five.)

2. **Greater RHNA Share Taken**: One-fifth of the total Policy 33 points would be awarded to projects located in jurisdictions that accepted a greater share of the lower income RHNA goals in the adopted RHNA (Modified Alternative 1) as compared to Alternative 3. Jurisdictions whose lower income RHNA goals were the same in Modified Alternative 1 and Alternative 3 would receive half of the points, and jurisdictions that received a lesser share of the lower income RHNA goals in the adopted RHNA would receive no points associated with this factor.

3. **Regional Share of Cumulative Total of Lower-Income Units Produced**: One-fifth of the total Policy 33 points would be awarded based on each jurisdiction’s share of the total number of lower-income units produced. For example, if a jurisdiction produced 20 percent of the affordable lower-income units produced in the region during the timeframe assessed, the points would be calculated as follows: .2 x 1/5 x total Policy 33 points = X points.

   Units that are acquired/rehabilitated and rent restricted at affordable levels for lower income households for a period of 30 years or longer shall receive 50 percent credit (one half a unit). These units also would be counted in the same way in calculating the fourth factor described below. Units that are acquired/rehabilitated/rent restricted that were counted in a housing element to meet the site identification requirements of a jurisdiction’s lower-income RHNA goals per housing element law would be counted as a full unit.

4. **Percent of Cumulative Alternative 3 Lower Income RHNA Goal Met**: One-fifth of the total Policy 33 points would be awarded based on the percentage of affordable lower-income housing produced in each jurisdiction as compared to the Cumulative Alternative 3 RHNA Lower-Income Goal (Alternative 3 lower-income goal divided by the timeframe – months/years -- covered). For example, if a jurisdiction produced 100 percent of its cumulative Alternative 3 goal, it would receive the total points associated with this factor, and if a jurisdiction produced 20 percent of its Alternative 3 goal, the points would be calculated as follows: .2 x 1/5 x total Policy 33 points = X points.

5. **Percent of Lower-Income Households**: One-fifth of the total Policy 33 points would be awarded based on the percent of lower-income households residing in each jurisdiction. For example, if 27 percent of the jurisdiction’s households are in the lower-income category a project would receive 27 percent of the total Policy 33 points associated with this factor (.27 x 1/5 x Policy 33 points = X points), and if 61 percent of the jurisdictions households are in the lower-income category it would receive 61 percent of the total Policy 33 points associated with this factor. (.61 x 1/5 x Policy 33 points = X points).
### Example

**Hypothetical Allocation of Incentive Points**

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Alt.3—Low/Very Low Income Units*</th>
<th>Annual Number Year 1</th>
<th>Number Produced Year 1**</th>
<th>Percentage of Alt. 3 Year 1**</th>
<th>Incentive Points**</th>
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</thead>
<tbody>
<tr>
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<td>4,322</td>
<td>864</td>
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<tr>
<td>Imperial Beach</td>
<td>22</td>
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<td>4</td>
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<tr>
<td>Unincorporated County</td>
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<td>952</td>
<td>400</td>
<td>42%</td>
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<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Alt.3—Low/Very Low Income Units</th>
<th>Cum. Annual Number Year 2</th>
<th>Cum. Number Produced Year 2**</th>
<th>Percentage of Alt. 3 Cum. Year 2**</th>
<th>Incentive Points Year 2**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad</td>
<td>4,322</td>
<td>1,728</td>
<td>400</td>
<td>23%</td>
<td>6</td>
</tr>
<tr>
<td>Chula Vista</td>
<td>6,322</td>
<td>2,528</td>
<td>832</td>
<td>33%</td>
<td>8</td>
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<tr>
<td>Escondido</td>
<td>845</td>
<td>338</td>
<td>253</td>
<td>75%</td>
<td>19</td>
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<tr>
<td>Imperial Beach</td>
<td>22</td>
<td>8</td>
<td>22</td>
<td>275%</td>
<td>25</td>
</tr>
<tr>
<td>San Diego</td>
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<td>49%</td>
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<tr>
<td>San Marcos</td>
<td>2,400</td>
<td>960</td>
<td>960</td>
<td>100%</td>
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<tr>
<td>Unincorporated County</td>
<td>4,758</td>
<td>1,904</td>
<td>500</td>
<td>28%</td>
<td>7</td>
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* 7.5 year number in RHNA Alternative 3 may be modified based on 5-year number included in local housing elements.

** These percentages and numbers are hypothetical for the purpose of explaining the methodology.
SERIES 12 REGIONAL GROWTH FORECAST

Introduction

The first step in updating the Regional Transportation Plan (RTP) is producing the subregional land use forecast that serves as the basis for transportation alternatives analysis.

The forecast is completed through a multi-step, collaborative process that involves input from local jurisdictions, as well as peer review by outside experts. At this meeting we will review the process of collecting inputs for the existing plans and policies land use component of the forecast.

In addition to existing policies inputs, a second step in this forecasting process will involve preparing alternative scenarios that can be applied to forecast years after 2030. SANDAG will work with jurisdictions to develop these land use alternatives for use in projecting growth in years after 2030.

Discussion

Phase 1 — Existing Plans and Policies

Jurisdictions are asked to review the set of three land use maps that will be provided at the meeting. These maps show the most current information that SANDAG has on existing development, adopted plans, and areas for redevelopment. The three maps are as follows:

- General Plans
- Existing Land Use & Vacant Land
- Redevelopment, Infill, and Site-Specific Plans

SANDAG requests that each jurisdiction review these maps in detail to identify any discrepancies between the information displayed on the maps and existing and/or planned land uses. SANDAG staff will schedule meetings over the next month with each jurisdiction to review the maps, and to collect information on any necessary changes to the land use information.

Phase 2 — Beyond 2030

SANDAG has been producing demographic and economic forecasts since the 1970s. These forecasts have shown a high degree of accuracy over time, with an error range for regional population projections of less than one half of one percent per year on average. This strong track record of accuracy stems, in large part, from regular review of SANDAG’s forecast methodology, inputs, and
results by state and regional experts in demography, economics, geography, planning, and other relevant disciplines.

Over time, these forecasts have consistently shown that the San Diego region will continue growing. This begs the question: Where will that growth go?

Much of the projected growth between today and 2030 can be accommodated based on adopted general plans and policies. However, the Series 12 SANDAG forecast must extend beyond 2030 in order to keep the RTP in compliance with federal air quality law. A forecast horizon beyond 2030 is also required to meet water planning needs. Prior SANDAG forecasts have shown that the region runs out of housing capacity around 2030, and little or no capacity remains beyond that date.

In previous forecasting efforts, SANDAG has applied a variety of strategies to the long-range land use plans to accommodate growth beyond general plan capacity. These strategies have included the following:

- General Intensification (Series 8)
- Transit Focus Areas (Series 9)
- Interregional Commute (Series 10 and 11)

In conjunction with the Series 11 forecast, SANDAG also produced a Smart Growth land use scenario, based on the Smart Growth Concept Map. The Smart Growth land use scenario was used for the Regional Transportation Plan Environmental Impact Report, and for preliminary work on the regional Climate Action Plan.

Given that the Series 12 forecast must extend beyond general plan horizon years, the Technical Working Group will be asked to work with SANDAG staff to develop land use scenario alternatives that can be applied to the forecast years after 2030.

**Proposed Schedule for the Series 12 “Existing Policies” Forecast**

Overall, producing the forecast will take 12 months. SANDAG will compile the forecast in two phases—addressing existing plans and policies in the first phase, and addressing beyond 2030 in the second phase. The following table outlines the proposed schedule for Phase 1 of the forecast.
**Proposed Schedule for the Series 12 “Existing Policies” Forecast**

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall 2008</td>
<td>Develop baseline regional forecast&lt;br&gt;<strong>Collect updated land use information from jurisdictions (December 2008)</strong></td>
</tr>
<tr>
<td>Winter 2008/09</td>
<td>Determine regional housing and employment capacity based on updated land use inputs&lt;br&gt;<strong>Develop policy strategies for accommodating growth beyond 2030</strong></td>
</tr>
<tr>
<td>Spring 2009</td>
<td><strong>Review capacity assumptions with jurisdictions</strong>&lt;br&gt;Run Interregional Commute Model&lt;br&gt;Develop capacity-constrained regional forecast&lt;br&gt;Peer review of regional forecasts</td>
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<tr>
<td>Summer/Fall 2009</td>
<td>Run Urban Development Model for subregional forecast&lt;br&gt;<strong>Jurisdiction review of subregional forecast</strong></td>
</tr>
<tr>
<td>Fall 2009</td>
<td>Revise subregional forecast, if necessary</td>
</tr>
<tr>
<td>Winter 2010</td>
<td>Finalize subregional forecast, including committee and Board approvals</td>
</tr>
</tbody>
</table>

Note: Issues requiring input from local jurisdictions are noted in bold text.

Key Staff Contact: Beth Jarosz, (619) 699-6997, bja@sandag.org
TransNet SMART GROWTH INCENTIVE PROGRAM

Introduction

The Regional Planning Committee has concurred with our recommendations about the basic outline of the program and about the project selection process. These recommendations will be going to the SANDAG Board of Directors for its approval on November 21, 2008. Assuming the Board accepts the staff’s recommendations about the program and authorizes us to begin the first funding cycle, a call for projects should be issued by the first week in December.

Two additional administrative components of the program will need to be finalized to complete the program development process. The administrative process for submitting applications and selecting projects needs to be documented in program guidelines, and a grant agreement and project oversight process need to be established. Working with the ad hoc working group, SANDAG staff has developed draft program guidelines and project oversight procedures, and a draft grant agreement has been developed through SANDAG legal staff. The program guidelines in final draft form are being presented to the Regional Planning Technical Working Group (TWG) in this report for its review and comment.

Discussion

Program Guidelines

SANDAG proposes to distribute two versions of the program guidelines, one for capital projects, and one for planning projects. Much of the two documents are the same, but there are enough differences that we felt it would be more convenient for applicants to work from a guidance document specific to the category of project being proposed. Both documents contain seven sections described briefly below. A complete set of guidelines is included in this report as Attachments 1 and 2.

Program Guidelines Contents

- Call for Projects at a Glance
  This section includes a table of contents, application process and program schedule, contact information for questions, brief submittal instructions, information about the application workshop, and references to useful related documents.
• Overview and Instructions
This is a summary of the program requirements, eligible project types, selection process, and
eligibility criteria.

• Project Evaluation Criteria
The project evaluation tool for the appropriate project type is presented so applicants can see how projects will be evaluated.

• Project Implementation and Oversight Requirements
This section describes the process SANDAG will use to administer the grants. As mentioned above, the project oversight process is still under review and subject to change.

• Use-It-or-Lose-It Policy
This policy has been recommended to the Board approval for approval by the Regional Planning Committee. The purpose of the policy is to encourage project applications for projects that are truly ready for implementation, and to provide a mechanism to redirect the funds when a project is unable to maintain satisfactory progress toward completion.

• Grant Application
The grant application includes instructions on how it is to be completed, and an application checklist that describes all the necessary documents required for the application. Electronic copies of the application in Microsoft Word format will be made available for completing the application.

• How Will Projects Be Evaluated
This section is the written guidance for the project review panel on how to score the projects. It is included in the program guidelines to give applicants a better understanding of what kinds of projects are likely to be competitive under this program.

Program Schedule
As mentioned above, the program structure and project evaluation criteria will be presented to the SANDAG Board at its November meeting. Assuming the Board approves the program as recommended and authorizes the first program funding cycle, SANDAG will issue a call for projects by the first week in December. An application workshop will be scheduled in December, with applications due back to SANDAG by the middle of January. The project evaluation process will take place in February and March, and a recommended list of projects for funding will be presented to the Regional Planning Committee and Board in April.

Attachments: 1. TransNet Smart Growth Incentive Program Capital Project Program Guidelines
2. TransNet Smart Growth Incentive Program Planning Project Program Guidelines

Key Staff Contact: Stephan Vance, (619) 699-1924, sva@sandag.org
SMART GROWTH INCENTIVE PROGRAM
GUIDELINES AND CALL FOR PROJECTS
FY 2009-FY 2010

CAPITAL GRANTS
Application Submittal Instructions

All applicants must complete a TransNet Smart Growth Incentive Program (SGIP) Application (see page 11), which consists of:

- an application form
- project attachments

The SGIP application form can be downloaded from the SANDAG Web site at http://www.sandag.org/smartgrowth.

Eight (8) hard copies and one (1) CD of the complete Smart Growth Incentive Program application (including all attachments) must be received by SANDAG no later than 4:00 p.m. on (date).

Mail or hand-deliver your completed SGIP application to:

- Christine Eary  
  SANDAG  
  401 B Street, Suite 800  
  San Diego, CA 92101  
  Attn: TransNet Smart Growth Incentive Program

Late submittals or fax copies will not be accepted. The total number of applications submitted by each jurisdiction may not exceed the total amount of funding available in the program for FY2009-FY2010.

Application Workshop

SANDAG will conduct an application workshop for prospective applicants to provide an overview of the program and the application process and answer any questions. Applicants are strongly encouraged to attend this workshop. The workshop will take place on (day, date, and time) at SANDAG offices, at the address listed above. Please RSVP to Christine Eary at cea@sandag.org or (619) 699-6928 by (one week prior) if you would like to attend.

Application Reviews

Upon request, SANDAG staff will conduct reviews of applications in advance of the application deadline, by appointment only. If you would like to have your application reviewed by SANDAG staff in advance of submittal, please contact Christine Eary at cea@sandag.org or (619) 699-6928.

Reference Documents

The Program Guidelines refer to a number of documents that will help the applicant prepare an application. Those documents can be downloaded from the SANDAG Web site at http://www.sandag.org/smartgrowth.
Smart Growth Incentive Program Overview and Instructions

Description
The TransNet Smart Growth Incentive Program (SGIP) funds transportation and transportation-related infrastructure improvements and planning efforts that support smart growth development. The program funds two grant types: capital projects and planning projects.

The goal of SGIP is to fund public infrastructure projects and planning activities that will support compact, mixed use development focused around public transit, and will provide more housing and transportation choices. The projects funded under this program will serve as models for how good infrastructure and planning can make smart growth an asset to communities in a variety of settings.

These Program Guidelines describe the call for projects and application process.

Who Can Apply?
SGIP grants will be awarded on a competitive basis. Only cities and the County of San Diego are eligible recipients of the grant funds. Nonprofit and community-based organizations may partner with government agencies, but cannot apply directly for the funds. Local jurisdictions also may work with public transit operators to jointly develop applications.

While only cities and the County may apply for funds, local community groups are encouraged to work through their local governments to develop projects that could be funded by this program. SANDAG can provide introductions between community organizations and appropriate local jurisdictions to make such community-initiated projects possible.

How Much Funding is Available?
There is approximately $10 million in SGIP funds available for Fiscal Years 2009-2010. Of these funds, up to 20 percent is available for planning project grants, and at least $8 million is available for capital project grants. The SANDAG Board of Directors reserves the right to fund less than the amount available for each funding category in a given funding cycle.

For capital projects, requested grants should range between $200,000 and $2 million per project. For planning projects, requested grants should range between $50,000 and $400,000 per project. The sum of funds requested by any jurisdiction in all their applications may not exceed the total funds available for the current program funding cycle.

Key Objectives
- The projects should be “ready-to-go” and serve as catalysts for further smart growth development.
- The projects should influence land development by improving the public realm and encouraging private smart growth projects that, in combination, create great places.
- The projects should contribute to the reduction of greenhouse gases by encouraging travel by means other than private automobile. In particular the projects should support public transit usage and be located in areas served by transit, and by improving access to transit.
- The projects should support housing development.
- The projects should provide good examples of smart growth in a variety of settings in the region.
Eligible Activities

Eligible capital projects include pedestrian improvements, bicycle and transit facilities, and other innovative smart growth-supporting infrastructure. Examples include but are not limited to:

- public plazas;
- pedestrian street crossings;
- streetscape enhancements, such as median landscaping, street trees, lighting, and street furniture;
- traffic calming design features, such as pedestrian bulb-outs or traffic circles;
- transit stop and station amenities;
- way-finding signage;
- community gateway features;
- pedestrian and bicycle paths and bridges;
- on-street bike lanes; and
- bicycle parking.

Innovative project proposals are invited.

Pedestrian projects must be designed consistent with the recommendations in the SANDAG Planning and Designing for Pedestrians (http://www.sandag.org/peddesign). Bicycle projects funded under this program must be designed consistent with the requirements of the California Highway Design Manual, Chapter 1000 (http://www.dot.ca.gov/hq/oppd/hdm/pdf/english/chp1100.pdf).

Construction contracts for capital projects must be awarded within two years of the date of the grant agreement, and must be complete within 18 months following award of construction contract.

Eligible Expenses: Capital grant funds can be used to pay for preliminary engineering (design and environmental), right-of-way acquisition, construction, and project management as required by the above activities. Project feasibility studies that lead to eventual capital projects under the SGIP also are eligible under the planning category.

The program will fund only project-related expenses incurred subsequent to the execution of a grant agreement between SANDAG and the grant recipient. Expenses incurred prior to that, or expenses for which the grant recipient had a prior contractual obligation will not be reimbursed. Projects that are already underway may be eligible to apply only if the application proposes expanding the scope of work for the existing project by adding work elements not previously included in the original project budget. Where a local agency proposes in-kind contributions as matching funds for the project, those local expenses will not be reimbursed. Only local agency staff expenses directly related to the project are eligible as in-kind. However, an overhead rate of up to ten percent may be included in the local staff costs.

Maximum SANDAG Participation: SANDAG will reimburse expenses up to the amount actually expended for the project, less the percentage proposed for matching funds in the application and agreed to in the grant agreement. In the event of project cost overruns, SANDAG will not pay more than the original amount specified in the grant agreement.

Who Will Score The Projects?

Projects will be scored by an evaluation panel that consists of the following members:

- Two members of SANDAG staff
- One member from the Regional Planning Technical Working Group (TWG)
- One member from the Cities/County Transportation Advisory Committee (CTAC)
- Two academic professionals from local colleges or universities with expertise in the fields of planning and design
- One member from the San Diego Council of Design Professionals

The panel will include individuals with knowledge of smart growth design principles and its components. Panel members must not represent local jurisdictions that have submitted projects for funding under the current cycle. Academic or private sector panel members must not have had prior involvement in any of the submitted projects, nor may they receive compensation for work on any of the funded projects in the future.
Project Eligibility Criteria for Capital Grants

A. *Consistency with TransNet Ordinance*

The project must be eligible under the TransNet Smart Growth Incentive Program Guidelines. Check with the SANDAG staff contacts listed on page ii if you have questions regarding eligibility.

B. *Smart Growth Opportunity Area Designation*

Capital projects must be located within an Existing/Planned Smart Growth Opportunity Area, as designated on the Smart Growth Concept Map. Planning projects must be located in Smart Growth Opportunity Areas identified as either “Existing/Planned” or “Potential” except for project feasibility studies leading directly to a capital improvement project. Capital project feasibility studies only will be considered in “Existing/Planned” Smart Growth Opportunity Areas.

Please refer to the Smart Growth Concept Map Site Descriptions or the Interactive Web-based Smart Growth Concept Map (http://www.sandag.org/smartgrowth) to determine location within a designated Smart Growth Opportunity Area.

C. *Regional Housing Needs Assessment/SANDAG Board Policy No. 033 Compliance*

The applicant must have provided documentation to show compliance with SANDAG Board Policy No. 033 (see http://www.sandag.org/smartgrowth).

D. *Local Funding Commitment and Authorization*

Attach a copy of the resolution or minute order passed by the local city council or governing board that authorizes submittal of the application, confirms that the project is consistent with the existing local plan, and committing to allocate the resources necessary to implement and complete the proposed activities and outcomes within the schedule identified in the project application. See page 19, Sample Resolution.

E. *Project Readiness*

The applicant must have submitted proof of a completed project feasibility study that identifies right-of-way/environmental constraints and preliminary costs.
## Smart Growth Incentive Program
### Proposed Capital Project Evaluation Criteria Matrix

<table>
<thead>
<tr>
<th>Points Possible</th>
<th>Weight</th>
<th>Score</th>
<th>% of Score</th>
<th>% of Score</th>
</tr>
</thead>
</table>

### A. Intensity of Planned Development in the Project's Smart Growth Opportunity Area (maximum 6 points)*

For Metropolitan Center, Urban Centers/Town Centers

- 3 Exceeds minimum residential requirements by 100% or more
- 2 Exceeds minimum residential requirements by 50-99%
- 1 Exceeds minimum residential requirements by 25-49%
- 3 Exceeds minimum employment requirements by 100% or more
- 2 Exceeds minimum employment requirements by 50-99%
- 1 Exceeds minimum employment requirements by 25-49%

**AND**

- 3 2 12 4%

For Community Centers/Rural Villages/Mixed-Use Transit Corridor

- 6 Exceeds minimum residential requirements by 100%
- 4 Exceeds minimum residential requirements by 50-99%
- 2 Exceeds minimum residential requirements by 25-49%

**OR**

- 6 2 12 4%

Where a specific plan, master EIR, or other mechanism allows for administrative approval of development projects, add 4 points

### B. Existing and Entitled Land Development Around the Proposed Capital Project

1. **Existing Development Density within 1/4 mile radius of proposed capital project site (maximum 6 points)*

   For Metropolitan Center, Urban Centers & Town Centers

   - 3 Exceeds minimum residential requirements by 100% or more
   - 2 Exceeds minimum residential requirements by 50-99%
   - 1 Exceeds minimum residential requirements by 25-49%
   - 3 Exceeds minimum employment requirements by 100% or more
   - 2 Exceeds minimum employment requirements by 50-99%
   - 1 Exceeds minimum employment requirements by 25-49%

   **AND**

   - 3 2 6 2%

   For Community Centers, Rural Villages, or Mixed-Use Transit Corridors

   - 6 Exceeds minimum residential requirements by 100%
   - 4 Exceeds minimum residential requirements by 50-99%
   - 2 Exceeds minimum residential requirements by 25-49%

   **OR**

   - 6 2 6 2%

2. **Entitled Development Density within 1/4 mile radius of proposed capital project site (maximum 6 points)*

   For Metropolitan Center, Urban Centers/Town Centers

   - 3 Exceeds minimum residential requirements by 100% or more
   - 2 Exceeds minimum residential requirements by 50-99%
   - 1 Exceeds minimum residential requirements by 25-49%
   - 3 Exceeds minimum employment requirements by 100% or more
   - 2 Exceeds minimum employment requirements by 50-99%
   - 1 Exceeds minimum employment requirements by 25-49%

   **AND**

   - 3 1 6 2%

   For Community Centers/Rural Village/Mixed-Use Transit Corridor

   - 6 Exceeds minimum residential requirements by 100%
   - 4 Exceeds minimum residential requirements by 50-99%
   - 2 Exceeds minimum residential requirements by 25-49%

   **OR**

   - 6 1 6 2%

### 3. Mix of Uses (maximum 3 points)*

(Single-family residential, retail, office, civic, parks, visitor within 1/4 mile of project site)

- 3 Residential + 6 other uses
- 2 Residential + 4-5 other uses
- 1 Residential + 2-3 other uses

If a new use will be added to the project area, add 2 points.

### C. New Affordable Housing Development (maximum 3 points)

%- of income restricted affordable housing provided in proposed new development (Within 1/4 mile radius of project site)

- 3 100% of units affordable
- 1 0-99% of units affordable

When 50-100% of units in the development are restricted to low to very-low income residents, add 2 points

### D. Transportation Characteristics (within walking distance of proposed capital improvement project)

1. **Relation to Transit (maximum 12 points)*

   - 12 Scale of actual walking distance to existing or programmed station or transit hub
   - 10 Project abuts or is on site to a Regional or Corridor service station or a Transit Center
   - 8 Project is within 1/4 mile of a Regional or Corridor station or a Transit Center
   - 6 Project is within 1/2 mile of a stop for a high frequency (15 min all day) local bus service and at least two additional bus services (transit hub)
   - 4 Project is within 1/4 mile of a stop for a high frequency (15 min all day) local bus service (within 1/4 mile radius of project site)
   - 2 2 Bicycle facilities (up to 2 points based on quality and utility)*
   - 2 Walkability measured by intersection density (up to 4 points)*
   - 2 TDM strategies existing or proposed (2 points)

<table>
<thead>
<tr>
<th>Points Possible</th>
<th>Score</th>
<th>% of Score</th>
<th>12</th>
<th>1</th>
<th>4</th>
</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

60
1 Transit station or hub qualifies if corresponding implementation or construction funding has been programmed in the RTIP.

2 Transit hub will be defined as an intersection of three or more bus routes, where at least one route has a minimum scheduled headway of 15 minutes from 7 a.m. to 7 p.m.

3 Regional service is defined as COASTER or freeway-based Bus Rapid Transit.

4 Corridor service is defined as SPRINTER, Trolley, and arterial-based Rapid Bus.

5 All day is defined as 7:00 a.m. to 7:00 p.m.

6 Bike facilities will be defined as bike lanes, bicycle boulevards, or a designated bike path.

7 TDM strategies can include transit pass programs for employees or residents in the area, vanpool/carpool programs, parking cashout programs for employees, car, or bike sharing programs, or shuttle services to rail stations or major destinations.

8 Support is defined as endorsement of community planning groups, business associations, and community development corporations in the project area.

* Score to be computed by SANDAG based on current land use and transportation databases.
Project Implementation and Oversight Requirements

Capital Grants

1. **Contact Information:** Grantee must provide SANDAG with a staff contact list that identifies its multi-department project development team, including staff involved in planning, traffic engineering, electrical, landscaping, project management, and compliance with SANDAG funding requirements. Grantee must provide SANDAG with updated contact information in a timely manner if there are any changes to staff assigned to project development team.

2. **Design Development Meetings:** Grantee must provide SANDAG with advance notice (preferably within two weeks) and agendas of all design development meetings, and a copy of minutes following the meeting. SANDAG staff may attend any meetings as appropriate.

3. **Design Review:** Grantee must submit project design drawings to SANDAG for review and comment at 30 percent, 60 percent, 90 percent, and 100 percent. SANDAG staff may meet with the grantee to comment on submitted plans. SANDAG may comment on submitted plans regarding:
   - whether transportation issues such as pedestrian and bicycle safety and access, transit access, etc. presented in original grant application are being adequately addressed by the plans, and
   - consistency with accepted pedestrian/bicycle facility and smart growth design standards.

4. **Quarterly Reports:** Grantee must submit quarterly reports to SANDAG, detailing accomplishments in the quarter, anticipated progress next quarter, pending issues and actions toward resolution, and status of budget and schedule.

5. **Semi-Annual Reviews:** SANDAG staff will meet individually with grantees every six months to assess progress. If SANDAG staff is satisfied with grantee progress based on quarterly reports and other contact with grantee, a meeting at any six-month mark may be deemed unnecessary by SANDAG staff.

6. **Performance Monitoring:** SANDAG staff may measure performance of the constructed capital improvements against stated project objectives, and evaluate the overall SGIP. Grantee is expected to meet with SANDAG staff to identify relevant performance measures and data sources, and provide available data and feedback regarding the program as appropriate.
1. **Project Milestone and Completion Deadlines**

1.1. This policy applies to all Smart Growth Incentive Program grant funds, whether from TransNet or another source. By signing a grant agreement for the Smart Growth Incentive Program, grant recipients agree to the following project delivery objectives.

1.1.1. **Capital Grants.** The project must be completed according to the schedule provided in the grant agreement, but at the latest, a construction contract must be awarded within two years following execution of the grant agreement, and construction must be completed within eighteen months following award of the construction contract.

1.1.2. **Planning Grants.** The project must be completed according to the schedule provided in the grant agreement, but at the latest, a consultant contract must be awarded within one year following execution of the grant agreement, and the planning project must be complete within two years following award of the consultant contract.

Failure to meet the above deadlines may result in revocation of all grant funds not already expended.

1.2. Grant funds made available as a result of this process may be awarded to the next project on the recommended project priority list from the most recent project selection process, or they may be added to the funds available for the next project funding cycle, at SANDAG’s discretion. Any project that loses funding due to failure to meet the deadlines specified in this policy may be resubmitted to compete for funding in a future call for projects.

2. **Project Milestone and Completion Deadlines**

2.1. Grant recipients may receive extensions on their project schedules of up to one year for good cause. Extensions of up to twelve months aggregate that would not cause the project to miss a deadline in Sections 1.1.1 or 1.1.2 may be approved by the SANDAG Program Manager for the Smart Growth Incentive Program. Extensions beyond twelve months aggregate or that would cause the project to miss a deadline in Sections 1.1.1 or 1.1.2 must be approved by the Regional Planning Committee.

For an extension to be granted under this Section 2, the following conditions must be met:

2.1.1. For extension requests of up to six months, the grant recipient must request the extension in writing to the SANDAG Program Manager at least two weeks prior to the earliest project schedule milestone deadline for which an extension is being requested.

2.1.2. For extension requests that will cause one or more project milestones to be delayed more than six months, but less than twelve months aggregate, the grant recipient must request an extension in writing to the SANDAG Program Manager at least six weeks prior to the earliest project schedule milestone deadline for which an extension is being requested.

2.1.3. The project sponsor seeking the extension must document previous efforts undertaken to maintain the project schedule, the reasons for the delay, and why they were unavoidable, and demonstrate an ability to succeed in the extended time frame.

2.1.4. If the Program Manager denies an extension request under this Section 2, the project sponsor may appeal within ten business days of receiving the Program Manager’s response to the Regional Planning Committee.

2.1.5. Extension requests that are rejected by the Regional Planning Committee will result in termination of the grant agreement and obligation by the project sponsor to return to SANDAG any unexpended funds. Unexpended funds are funds for project costs not incurred prior to rejection of the extension request by the Regional Planning Committee.

3. **Project Delays and Extensions of up to One Year**

3.1. Requests for extensions beyond one year or that will cause a project to miss a deadline in Sections 1.1.1 or 1.1.2 (including those projects that were already granted extensions by the SANDAG Program Manager and are again falling behind schedule) will be considered by the Regional Planning Committee. The Regional Planning Committee will only grant an extension under this Section 3 for extenuating...
conditions beyond the control of the project sponsor, defined as follows:

3.1.1. Capital Grants

3.1.1.1. Environmental. An extension may be granted when, during the environmental review process, the project sponsor discovers heretofore unknown sites (e.g., archeological, endangered species) that require additional investigation and mitigation efforts. The project sponsor must demonstrate that the discovery is new and unforeseen.

3.1.1.2. Right-of-Way. Extensions for delays necessary to complete right of way acquisition may be granted only when right-of-way needs are identified that could not have been foreseen at the time the grant agreement was signed.

3.1.1.3. Permitting. Delays associated with obtaining permits from external agencies may justify an extension when the project sponsor can demonstrate that every effort has been made to obtain the necessary permits and that the delay is wholly due to the permitting agency.

3.1.1.4. Construction Schedule. Extensions may be granted when unavoidable construction delays create a conflict with restrictions on construction during certain times of the year (for instance, to avoid nesting season for endangered species).

3.1.1.5. Litigation. Extensions may be granted when a lawsuit has been filed concerning the project being funded.

3.1.1.6. Other. Extensions may be granted due to changes in federal/state policies or laws that can be shown to directly affect the project schedule.

3.1.2. Planning Grants

3.1.2.1. Changed Circumstances. An extension may be granted for a planning project when circumstances not within the control of the grant recipient, such as an action by an outside agency, require a change in the scope of work for the project.

3.2. The grant recipient shall make its request directly to the Regional Planning Committee, providing a detailed justification for the requested extension, including a revised project schedule and work plan, at least six weeks prior to the earliest project schedule milestone deadline, or deadline in Sections 1.1.1 or 1.1.2, for which an extension is being requested.

3.3. Extension requests that are rejected by the Regional Planning Committee will result in termination of the grant agreement and obligation by the project sponsor to return to SANDAG any unexpended funds. Unexpended funds are funds for project costs not incurred prior to rejection of the extension request.
Smart Growth Incentive Program
capital grants application

project title: insert text

sponsoring jurisdiction: insert text

application checklist

☐ eight (8) hard copies and one (1) cd of the complete sgip application (including all attachments)

☐ completed application form

☐ resolution or minute order authorizing the application

☐ vicinity maps showing project locations, entitled land developments related to the projects, and local/regional street, bicycle, transit, and highway facilities within and near the project area

☐ site plan, renderings, and typical cross sections depicting project-level detail as available, not to exceed 11x17 inches

☐ documentation of support for the project from community groups or individuals (recommended but not required)

☐ aerial photo and other photographs depicting existing conditions

☐ use-it-or-lose-it policy and program implementation and oversight requirements have been read

person authorized to submit application:

i certify that i have reviewed the transnet smart growth incentive program guidelines and the information submitted in this application is accurate and in accordance with these guidelines.

name

signature

title

date

a copy of the sgip application in microsoft word format may be downloaded from the sandag web site at www.sandag.org/smartgrowth.

this application must be completed in full for the project to be considered for funding.
Project Summary
This project summary may not exceed one page in length.

Project Title: Insert Text

Exact Project Location: Insert Text
(i.e. University Avenue between Georgia Street and Boundary Street, or the intersection of Washington Street and Goldfinch Street)

Project Description: In one paragraph, briefly describe the project goals, location, scope, and elements to be funded by the SGIP capital funds.
Insert Text

SGIP Funds Request: $Insert Text
(may not exceed $2,000,000)

Matching Funds: $Insert Text

Total Project Cost: $Insert Text
SGIP Funds + Matching Funds

Sponsoring Jurisdiction: Insert Text

Primary Contact Person: Insert Text
Title: Insert Text
Street Address: Insert Text
City and Zip Code: Insert Text
Phone: Insert Text
Fax: Insert Text
E-mail Address: Insert Text

Other Project Partners: Insert Text

Smart Growth Opportunity Area Identifier: Insert Text
(i.e. CV 3 Palomar Gateway at Palomar Street and Industrial Boulevard; see http://www.sandag.org/smartgrowth to confirm location)
Project Description

The following information is required to evaluate the application based upon the Project Evaluation Matrix (see page 6 of the Program Guidelines).

Please provide a description of the proposed project that addresses the following; please limit description to one page:

- Project setting
- Project objectives
- Relationship of project to existing and planned land uses and transportation facilities in the project area

Please limit your description to one page.

In addition, please attach one or more maps of the project area that identify:

- The location(s) of the project
- Entitled land development projects related to the project

You also are encouraged to attach:

- A site plan, renderings, and typical cross sections depicting project-level detail, not to exceed 11x17 inches
- Letters of support for the project from community groups
- Aerial photo and other photographs depicting existing conditions

Please ensure that all graphic materials submitted are legible.

I. Land Use and Transportation Characteristics of the Area Around the Proposed Capital Improvement Project

1. Intensity of Planned Development in the Smart Growth Opportunity Area (Criterion IA, 4 points)

Please explain if this project is located within an area, where a specific plan, community plan, master EIR, or other mechanism allows for administrative or expedited approval of development projects.

2. Entitled Development Density Within a ¼-mile Radius of Proposed Capital Project Site (Criterion IB2, maximum 6 points), Mix of Uses (Criterion IB3, maximum 3 points), and New Affordable Housing Development (Criterion IC, maximum 3 points)

Please provide the following information for each entitled development project located within a ¼-mile of the proposed capital project.

- Project Name
- Location
- Land Uses
- Units per Net Residential Acre
- Total Number of Units
- Number of Affordable Housing Units
Number of Affordable Housing Units Restricted to Very-Low Income Residents
Estimated Gross Lease Area for Commercial/Office/Retail Uses
Estimated Construction Completion Date

3. Transportation Demand Management (TDM) Characteristics
(Criterion ID4, maximum 2 points), ½ page max.
Please describe any existing or proposed transportation demand management strategies associated with existing or planned development in the project area. TDM strategies can include incentives such as transit pass programs for employees or residents in the area, vanpool/carpool programs, parking cashout programs for employees, car or bike sharing programs, shuttle services to rail stations or major destinations, and other strategies.

4. Urban Design Characteristics and Community Context
(Criterion IE1, maximum 6 points), 1 page max.
   a. How do the urban design characteristics of the project area support smart growth?
   b. For the project area, is there adopted guidance in place such as urban design guidelines, specific area plans, or form-based codes that regulate the design of buildings and infrastructure to support smart growth?
   c. Identify the mix of public and private land uses in the project area and how the uses meet local needs for goods, services, entertainment, etc. within walking distance of residents or employees.

5. Sustainability
(Criterion IE2, maximum 2 points), ½ page max.
   a. Please list existing or entitled buildings in the project area that incorporate sustainable building principles? If so, please describe developments and the relevant features. For example, “Mission Homes 10-unit multi-family development with LEED silver certification” or “Nordahl Shopping Center 10,000 square feet retail with solar panels.”
   b. Please list any known established programs among local businesses in the project area to promote sustainable business practices in the project area. Describe programs and participating businesses.

6. Universal Design
(Criterion IE3, maximum 2 points), ½ page max.
   a. List any known existing or entitled buildings in the project area that incorporate universal design principles. Describe type of development and relevant features.

II. Quality of Proposed Capital Improvement Project
A. Support for Public Transit
(Criterion IIA, maximum 5 points), 1 page max.
Describe how the completed project will support the use of regional public transit service in the project area? For example:
   a. Does the project improve roadway bus access within the community, and if so, how?
   b. How does the project facilitate better access to transit facilities for pedestrians (both able-bodied and disabled) and bicyclists?
   c. Does the project enhance bus stop and station area environments, and if so, how?
   d. Are there any other elements of the project that will promote use of public transit?
B. Providing Transportation Choices  
(Criterion IIB, maximum 5 points), 1 page max.

Describe how the infrastructure changes being proposed will directly improve pedestrian and bicycle access and reduce vehicle miles traveled in the project area. If the street is being redesigned, how will the new design prioritize access for pedestrians and bicyclists? For example:

a. If pedestrian enhancements are proposed, please describe them in detail, and discuss why these enhancements will encourage increased pedestrian activity in the area.

b. If bicycle facilities are proposed, please describe them in detail and discuss why these enhancements will encourage increased cycling activity in the area.

c. If the project proposes public gathering space enhancements, please discuss how the enhancements will help promote pedestrian or bicycle activity in the project area.

d. How does the project handle parking? Describe how proposed changes to parking in the project area will emphasize greater mobility for all users, and how proposed parking might impact the design characteristics of the neighborhood.

e. Are there any other elements of the proposed project that will promote walking and bicycling in the project area?

C. Community Enhancement  
(Criterion IIC, maximum 5 points), 1 page max.

Describe how the proposed improvements enhance a sense of place and create destinations for people in the project area. How will the design features of the proposed improvements activate public places within the area and attract private investment?

D. Addressing Project Area Issues  
(Criterion IID, maximum 5 points), 1 page max.

a. List any distinct needs identified by the local community that will be addressed by the project objectives (such as but not limited to improving pedestrian access for special populations such as the elderly or disabled, or enhancing public safety).

b. Please identify any cultural or natural resources within the project area. Explain how such resources have been addressed in the project design.

III. Proposed Capital Improvement Project Readiness

A. Major Milestones Completed  
(Criterion IIIA)

Please note if the proposed project has already completed any of the following milestones. If not, note anticipated completion date.

<table>
<thead>
<tr>
<th>Date Completed or Anticipated Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Clearance</td>
</tr>
<tr>
<td>Right-of-Way Acquisition</td>
</tr>
<tr>
<td>Final Design</td>
</tr>
</tbody>
</table>

If the project has not yet obtained environmental clearance or fully acquired right-of-way, please describe the following (½ page max.):

a. Is the project located in an environmentally sensitive area? Are there potential environmental issues that may delay project implementation or prohibit project approval?

b. Are right-of-way acquisitions required to complete this project? If so, please identify.
B. Evidence of Local Commitment (Criterion IIIIB), 1 page max.

a. Describe how community involvement in the development of this project. Explain community planning efforts that led to this project, community workshops, or other meetings that have been held, and stakeholder groups that have participated.

b. Please identify known opposition from community planning groups, business associations, community development corporations or other stakeholders in the project area, and how their concerns are being addressed.

IV. Matching Funds

In the table below, please describe any and all sources and amounts of approved matching funds. Matching funds may include in-kind staff costs associated with project oversight, up to 10 percent of the total project cost.

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insert Text</td>
<td>$ Insert Text</td>
</tr>
<tr>
<td>Insert Text</td>
<td>$ Insert Text</td>
</tr>
<tr>
<td>Insert Text</td>
<td>$ Insert Text</td>
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<tr>
<td>Insert Text</td>
<td>$ Insert Text</td>
</tr>
<tr>
<td>Insert Text</td>
<td>$ Insert Text</td>
</tr>
</tbody>
</table>

Scope of Work and Project Schedule, 1 page max.

In the section below, state the project deliverables (including specific quantities and locations of improvements) and anticipated completion dates. Please note that if this project is funded, this scope of work will be added to the grant agreement and the grantee will be held to this scope of work for the purpose of project oversight.

Example:

<table>
<thead>
<tr>
<th>Deliverables</th>
<th>Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Installation of pedestrian-scale lighting and streetscape landscaping, including 50 trees and related irrigation on University Avenue from Baltimore Drive to Spring Street</td>
<td>December 2009</td>
</tr>
<tr>
<td>Reconfiguration of the intersections at University Avenue/Baltimore Drive and University Avenue/Spring Street to calm traffic and improve the walking environment</td>
<td>January 2010</td>
</tr>
<tr>
<td>Improvement of four transit stops along University Avenue between Baltimore Drive and Palm Avenue with lighting, weather shelter, and trash cans</td>
<td>February 2010</td>
</tr>
</tbody>
</table>

Project Budget

Capital Project Expenses

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering</td>
<td></td>
</tr>
<tr>
<td>Project Management</td>
<td>$ Insert Text</td>
</tr>
<tr>
<td>Contract Engineering</td>
<td>$ Insert Text</td>
</tr>
<tr>
<td>Environmental Documentation</td>
<td>$ Insert Text</td>
</tr>
<tr>
<td>Right-of-Way</td>
<td>$ Insert Text</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
</tr>
<tr>
<td>Construction Management</td>
<td>$ Insert Text</td>
</tr>
<tr>
<td>Construction Contract</td>
<td>$ Insert Text</td>
</tr>
<tr>
<td>Total</td>
<td>$ Insert Text</td>
</tr>
</tbody>
</table>
## Project Revenues

<table>
<thead>
<tr>
<th>Source</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>TransNet SGIP</td>
<td>$ Insert Text</td>
<td>$ Insert Text</td>
<td>$ Insert Text</td>
<td>$ Insert Text</td>
</tr>
<tr>
<td>Local (specify)</td>
<td>$ Insert Text</td>
<td>$ Insert Text</td>
<td>$ Insert Text</td>
<td>$ Insert Text</td>
</tr>
<tr>
<td>State (specify)</td>
<td>$ Insert Text</td>
<td>$ Insert Text</td>
<td>$ Insert Text</td>
<td>$ Insert Text</td>
</tr>
<tr>
<td>Federal (specify)</td>
<td>$ Insert Text</td>
<td>$ Insert Text</td>
<td>$ Insert Text</td>
<td>$ Insert Text</td>
</tr>
<tr>
<td>In Kind</td>
<td>$ Insert Text</td>
<td>$ Insert Text</td>
<td>$ Insert Text</td>
<td>$ Insert Text</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ Insert Text</td>
<td>$ Insert Text</td>
<td>$ Insert Text</td>
<td>$ Insert Text</td>
</tr>
</tbody>
</table>

Maximum Amount of SANDAG Participation: [TransNet Total/Project Total]
Sample Resolution

RESOLUTION NO. Insert Text

AUTHORIZING THE FILING OF AN APPLICATION
FOR SMART GROWTH INCENTIVE PROGRAM FUNDS
THROUGH THE SAN DIEGO ASSOCIATION OF GOVERNMENTS
FOR PROJECT NAME,
COMMITTING THE NECESSARY LOCAL MATCH FOR THE PROJECT(S),
AND STATING THE ASSURANCE OF
NAME OF ORGANIZATION
TO COMPLETE THE PROJECT

WHERAS, $10 million of TransNet Smart Growth Incentive Program (SGIP) funds are available to local jurisdictions in Fiscal Years 2009-2010; and

WHERAS, Name Of Organization wishes to receive $Insert Text in SGIP funds for the following project: Project Name; and

WHERAS, that the sponsor understands that the TransNet Smart Growth Incentive Program funding is fixed at the programmed amount, and therefore any cost increase cannot be expected to be funded through the SGIP program; and

WHERAS, that the sponsor understands that the TransNet funding through the SGIP program shall not be used to replace other private developer funding that has been or will be committed for any project; and

NOW, THEREFORE, BE IT RESOLVED by Governing Board Name that Name Of Organization is authorized to submit an application to the San Diego Association of Governments (SANDAG) for SGIP funding in the amount of $Insert Text for Project Name; and

BE IT FURTHER RESOLVED that a copy of this resolution will be transmitted to SANDAG.
How Will Projects Be Evaluated?

There are two main components to the evaluation process: screening for eligibility and project evaluation. The eligibility criteria screen projects to ensure they meet basic program requirements. SANDAG staff will review all applications to determine eligibility. A request for reconsideration of a project rejected as ineligible must be made in writing to the SGIP Program Manager within one week of receiving notice of that determination.

Once a project has passed the eligibility screening, it will be scored based on the project evaluation criteria for its project type. Because the planning activities and capital improvements are very different, each will be evaluated under its own set of criteria. The eligibility and project evaluation criteria are discussed in more detail below.

Section 1: Eligibility Criteria for Capital and Planning Projects

Project Eligibility Criteria are primarily used to ensure that the proposed project may be funded under the TransNet Extension Ordinance.

1. Consistency with TransNet Ordinance

The project must be eligible under the TransNet program. The TransNet Extension Ordinance defines the SGIP broadly. Projects can include “a broad array of transportation-related infrastructure improvements that will assist local agencies in better integrating transportation and land use, such as enhancements to streets and public places, funding of infrastructure needed to support development in smart growth opportunity areas consistent with the Regional Comprehensive Plan, and community planning efforts related to smart growth and improved land use/transportation coordination.” “Transportation-related infrastructure” can include public infrastructure that reduces vehicle travel by better connecting where people are with where they want to go. Private infrastructure or, as specified in Section 8 of the Ordinance (Maintenance of Effort), public infrastructure that private development would otherwise be responsible to provide is not eligible.

2. Smart Growth Opportunity Area Designation

The project must be substantially within a smart growth opportunity area on the SANDAG Smart Growth Concept Map. Proposed capital projects and capital project feasibility studies must be in areas designated as “Existing/Planned” on the map. See http://www.sandag.org/smartgrowth to confirm location.

3. Regional Housing Needs Assessment/SANDAG Board Policy No. 033 Compliance

Eligible applicants include cities and the County of San Diego. Applicants must have an adopted housing element that has been found in compliance with state law. In addition, they must have submitted their annual report to SANDAG regarding actual housing unit permits by income category.

4. Local Funding Commitment and Authorization

The application must include a resolution or minute order from City Council or County Board of Supervisors authorizing the application, and committing to allocate the resources necessary to implement and complete the proposed activities and outcomes within the schedule identified in the project application. See page 19, Sample Resolution. The resolution from the Board or Council may be submitted after the application deadline, provided it is received before the project evaluation panel makes its recommendation on project priorities.
5. **Project Readiness (Capital Projects Only)**

The proposed project must be clearly defined and the applicant must have completed a project feasibility study that identifies right-of-way/environmental constraints and preliminary costs.

Applicants with questions about project eligibility should contact SANDAG at (619) 699-1924.

**Section 2: Capital Project Evaluation Criteria**

(Please also see page 6)

**I. Land Use and Transportation Characteristics**

Land use and transportation characteristics will be scored by SANDAG staff using current SANDAG land use and transportation databases. Zoned densities and planned land uses must be in adopted general plans and/or community plans. Pending amendments will not be considered. It is the responsibility of local jurisdictions to ensure that SANDAG has current land use data, and to submit information regarding entitled development within the project area.

A. **Intensity of Planned Development in Project’s Smart Growth Opportunity Area**

This criterion will be scored by SANDAG based on existing land use densities for the project’s smart growth opportunity area based on the land use designations in SANDAG’s currently adopted regional growth forecast. Projects in areas supporting residential and/or employment development that exceeds minimum density levels for its smart growth place type will score the highest in this category.

B. **Existing and Entitled Land Development in the Proposed Capital Project Area**

Intensity of existing development density around the proposed capital project will be computed by SANDAG using the database of current land uses to measure densities within ¼-mile of the project. The ¼-mile area around a project will extend for the full length of linear projects. Project areas where the residential and/or employment development exceeds minimum density levels for its smart growth place type will score the highest in this category.

Entitled development projects within a ¼-mile radius of the proposed capital project will qualify if any portion of the development project boundary is within the ¼-mile area surrounding the proposed capital project.

Mix of Uses will be computed by SANDAG using our database of existing land uses by counting the number of current uses in the project area. The categories of land uses counted include residential, retail, office, civic, parks, and visitor-serving. The applicant will provide evidence of any new uses that would be added to the project area as a result of land development that the proposed capital project would support.

C. **New Affordable Housing Development**

The applicant will identify new affordable housing that will be produced in conjunction with the entitled land development within ¼-mile of the project. “Affordable housing” means housing that serves extremely low, very low, or low income households (between zero to 80 percent of area median income adjusted for household size). Affordable housing costs are defined in Section 6918 for renters and Section 6920 for purchasers of Title 25 of the California Code of Regulations, and in Sections 50052.5 and 50053 of the Health and Safety Code, or by the applicable funding source or program. Acquired and rehabilitated affordable housing qualifies under this criterion.

D. **Transportation Characteristics of the Project Area**

SANDAG staff will score these criteria based on the transportation facilities within ¼-mile walking distance of the project boundary. Walking distance will be computed based on computer-generated networks of actual available walking paths. Transit facilities must be either existing or funded for construction to count. Bicycle facilities will be identified based on the current San Diego Region Bike Map unless the applicant provides additional information about existing bike facilities not on the current map. Only bicycle facilities built consistent with California Highway Design, Chapter 1000 standards will be counted.
One point will be awarded where bicycle facilities exist in the project area, and two points when those facilities are continuous and connect directly to public transit facilities, educational facilities or commercial areas. *Walkability* will be computed by SANDAG based on the intersection density of the street network in the project area based on the following scale:

<table>
<thead>
<tr>
<th>Intersection Density (per Square Mile)</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>290 or greater</td>
<td>4</td>
</tr>
<tr>
<td>225-290</td>
<td>3</td>
</tr>
<tr>
<td>100-224</td>
<td>2</td>
</tr>
<tr>
<td>Less than 100</td>
<td>1</td>
</tr>
</tbody>
</table>

*Transportation Demand Management* strategies within the project area must be described in the project application where indicated. Existing TDM programs within the project area receive two points, and proposed programs one point.

E. **Community Design Features and Context of the Project Area**

This criterion will be scored by the project evaluation panel based on their professional judgment and knowledge. For *Urban Design Characteristics and Community Context*, the highest scoring projects (6 points) will be those where existing development shows good smart growth design features, current design standards for buildings, parking and streets are consistent with good smart growth design, and the area includes a mix of land uses that provide needed goods and services. An average score should be awarded to places with some smart growth features and good design standards for new development to ensure future development supports smart growth objectives. Low-scoring projects would be in areas with mostly conventional, auto-oriented development and no plans in place that would indicate a significant change toward good smart growth design or mix of uses. When awarding points based on existing or proposed development, and on adopted design standards, the evaluator must take into consideration the project area context. The scale and design of buildings and the public right of way should be consistent with the smart growth place type and its setting within the region. An evaluator may award zero points.

Good community design features for smart growth areas include buildings oriented to pedestrian access with visually and physically permeable commercial facades. Off-street parking should be behind or under buildings or consolidated in central locations and faced with storefronts that help activate the street. Where major transit stations exist, they should be central to the community and may even be a focal point. Streets should accommodate a range of transportation modes. The pedestrian environment should be consistent with the recommendations in the SANDAG *Planning and Designing for Pedestrians* ([http://www.sandag.org/peddesign](http://www.sandag.org/peddesign)). Vehicle speeds in smart growth areas should be moderate on all surface streets. Blocks should be relatively short with safe crossing opportunities at every corner. Transit should be centrally located and easily accessible. Space should be allocated for bicycle travel where warranted based on vehicle speeds and/or volumes. A diversity of land uses should provide locally necessary goods and services, such as grocery stores serving residential development within a walkable environment.

Applicants should identify any existing or active entitled buildings in the project area that are built with *sustainable building* features or *universal design* principles. Two points will be awarded for one or more buildings with sustainable design features, and two points for one or more buildings with universal design features. For more information and resources on universal design principles, please visit [http://www.design.ncsu.edu/cud/](http://www.design.ncsu.edu/cud/) and [http://www.icat-ciat.org](http://www.icat-ciat.org).
II. Quality of Proposed Capital Improvement Project

The independent project evaluation panel will score the proposed capital improvement projects based on the criteria described below. Each criterion is graded on the following scale:

5=excellent, 4=very good, 3=good, 2=fair, 1=minimal benefit, 0=no benefit

Projects may vary significantly by type. Review panel members should evaluate each project based on how well it represents a project of that type.

A. Support for Public Transit

An exemplary project will effectively connect transit services to the community by integrating transit into the fabric of the community. It will support multimodal access to transit and/or facilitate the movement of transit service through the project area while preserving important existing community features (public spaces, significant buildings, natural features, etc.), and enhancing bicycle and pedestrian travel. Lower scoring projects will achieve fewer of these objectives, and the lowest scoring projects will have little direct benefit to public transit. Improvements to transit facilities should be scored according to how well the project improves the environment for patrons at transit stations, along transit corridors, or at other access points in the immediate vicinity of a transit facility.

B. Providing Transportation Choices

Smart growth development must provide for a variety of transportation choices to facilitate access in its compact and more intensely developed environment. The highest scoring projects under this criterion will make significant changes to the area’s transportation infrastructure toward that end. Projects such as road diets that reallocate right of way and/or reconfigure the roadway to provided balanced access for all modes should receive the highest points. Outstanding projects will utilize state-of-the-art innovative solutions such as pedestrian or bicycle priority traffic controls or a broad palate of traffic calming devices to achieve that balance. Good or fair projects will have fewer features and/or address only one mode. Low ranking projects will make minimal improvements to pedestrian or bicycle access and minimal significant improvements to transit operations. Guidance for scoring particular project types is provided below.

→ Pedestrian facility design must be consistent with the recommendations in SANDAG’s Planning and Designing for Pedestrians, should improve street crossings where necessary, and/or connect the community and its activity centers.

→ Bicycle facilities should be designed consistent with the requirements of Chapter 1000 of the California Highway Design manual or SANDAG’s bicycle parking guidelines. Highest scoring projects will provide continuity with bike routes beyond the immediate project area and connect to important community destinations, especially public transit.

→ Projects that do not directly facilitate travel, such as public gathering areas should contribute to reducing vehicle travel by bringing needed public places into walking or bicycling range of community members.

→ Changes to vehicle parking should significantly reduce the role of the automobile for travel in the area as well as the impact of parking on the community design of the area.

C. Community Enhancement

One objective of the TransNet Smart Growth Incentive Program is to engender support for smart growth development by demonstrating how it can help create great places. This requires quality design that seamlessly integrates the capital improvement into the community. The proposed project should contribute toward creating a setting that is more likely to attract private investment. The highest scoring projects should be those that are likely to have the most significant positive impact on the physical appearance of the project area; In areas that already contain
good smart growth design features, the project must be exceptional to be rated as very good or good. Capital improvements should be designed to complement the positive features of the existing community.

D. Addressing Project Area Issues
Facilitating smart growth development often means addressing issues specific to the community such as improving public safety by employing crime prevention through environmental design strategies, cleaning up an eyesore, or removing an attractive nuisance. Applications will describe the project area issues that the proposed project is meant to address and how it proposes to mitigate or ameliorate the problem. Highest scoring projects will address area issues comprehensively and effectively with design features that artfully integrate the project into the community. Capital projects should preserve and protect important cultural and natural resources in the project area, and when appropriate, integrate such resources into the project design. However, evaluation of the impact of the project under the California Environmental Quality Act (CEQA) is not the responsibility of the evaluation panel.

III. Proposed Capital Improvement Project Readiness
A. Major Milestones
SANDAG will score projects based on the project development milestones completed. Environmental clearance under CEQA and the National Environmental Policy Act (NEPA) if appropriate is worth one point. Completion of right of way acquisition, all necessary entitlements, or evidence provided by the applicant that no right of way acquisition is required, earns one point. Completion of final design (plans, specifications, and estimates) also earns one point.

B. Evidence of Local Commitment
The application should demonstrate that the project is supported by the community. Projects that can provide evidence of a community-based planning process leading to the project and endorsement of community groups will be awarded 2 points. Projects with minimal evidence of a community-based planning process leading to the project and with the support of some, but not all community groups will receive one point. Evidence of opposition from individuals within the community will not reduce the points awarded unless there is an ad hoc organization of opposition, or the number of individuals in opposition is significant.

IV. Cost Effectiveness
Project cost effectiveness is scored by dividing the grant request by the sum of the weighted points earned on the criteria in categories I and II. The projects will be ranked based on the resulting ratio and the available 15 points will be distributed proportionately. The project(s) with the highest ratio receives 15 points, and the one(s) with the lowest receives one point.

V. Matching Funds [Subject to revision based on review by the RPC]
Points for matching funds are awarded by dividing the grant request by the total project cost as proposed in the application. The projects will be ranked based on the resulting ratio and the available 20 points distributed proportionately. The project(s) with the highest ratio receives 20 points, and the one(s) with the lowest receives one point.

VI. SANDAG Board Policy No. 033 Points for Affordable Housing Production.
Under Board Policy No. 033, 25 percent of the points (50 points) will be awarded based on actual affordable housing produced (as demonstrated by building permits) within the applicant jurisdiction to the affordable housing target established by the Regional Housing Needs Assessment. The details of this computation are described in Board Policy No. 033. This procedure is subject to change based on the periodic review of the policy by the SANDAG Board.
SMART GROWTH INCENTIVE PROGRAM
GUIDELINES AND CALL FOR PROJECTS
FY 2009-FY 2010

PLANNING GRANTS

Release Date:  
Applications Due:  

(DATE)  
(DATE)
Call for Projects at-a-Glance

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Smart Growth Incentive Program
Application Process and Program Schedule

2008

November   Call for Projects
December    Application Workshop

2009

Mid-January Project Applications Due
February    Resolutions Due
April       Regional Planning Committee and Board of Directors Approve Funding Recommendations

Questions

If you have questions regarding the program or the application process, please contact:

: Stephan Vance
  SGIP Program Manager
  sva@sandag.org
  (619) 699-1924

: Christine Eary
  Associate Planner
  cea@sandag.org
  (619) 699-6928

Application Submittal Instructions

All applicants must complete a TransNet Smart Growth Incentive Program (SGIP) Application (see page 11), which consists of:

→ an application form
→ project attachments.

The SGIP application form can be downloaded from the SANDAG Web site at http://www.sandag.org/smartgrowth.

Eight (8) hard copies and one (1) CD of the complete SGIP application (including all attachments) must be received by SANDAG no later than 4:00 p.m. on [date].

Mail or hand-deliver your completed SGIP application to:

→ Christine Eary
  SANDAG
  401 B Street, Suite 800
  San Diego, CA 92101
  Attn: TransNet Smart Growth Incentive Program

Late submittals or fax copies will not be accepted. The total number of applications submitted by each jurisdiction may not exceed the total amount of funding available in the program for FY2009-FY2010.

Application Workshop

SANDAG will conduct an application workshop for prospective applicants to provide an overview of the program and the application process and answer any questions. Applicants are strongly encouraged to attend this workshop. The workshop will take place on [day, date, and time] at SANDAG offices, at the address listed above. Please RSVP to Christine Eary at cea@sandag.org or (619) 699-6928 by (one week prior) if you would like to attend.

Application Reviews

Upon request, SANDAG staff will conduct reviews of applications in advance of the application deadline, by appointment only. If you would like to have your application reviewed by SANDAG staff in advance of submittal, please contact Christine Eary at cea@sandag.org or (619) 699-6928.

Reference Documents

The Program Guidelines refer to a number of documents that will help the applicant prepare an application. Those documents can be downloaded from the SANDAG Web site at http://www.sandag.org/smartgrowth.
Smart Growth Incentive Program Guidelines
Program Overview and Instructions

Description
The TransNet Smart Growth Incentive Program (SGIP) funds transportation and transportation-related infrastructure improvements and planning efforts that support smart growth development. The program funds two grant types: capital projects and planning projects.

The goal of the SGIP is to fund public infrastructure projects and planning activities that will support compact, mixed use development focused around public transit, and will provide more housing and transportation choices. The projects funded under this program will serve as models for how good infrastructure and planning can make smart growth an asset to communities in a variety of settings.

These Program Guidelines describe the call for projects and application process.

Who Can Apply?
SGIP grants will be awarded on a competitive basis. Only cities and the County of San Diego are eligible recipients of the grant funds. Nonprofit and community-based organizations may partner with government agencies, but cannot apply directly for the funds. Local jurisdictions may also work with public transit operators to jointly develop applications.

While only cities and the County may apply for funds, local community groups are encouraged to work through their local governments to develop projects that could be funded by this program. SANDAG can provide introductions between community organizations and appropriate local jurisdictions to make such community-initiated projects possible.

How Much Funding is Available?
There is approximately $10 million in SGIP funds available for Fiscal Years 2009-2010. Of these funds, up to 20 percent is available for planning project grants, and at least $8 million is available for capital project grants. The SANDAG Board of Directors reserves the right to fund less than the amount available for each funding category in a given funding cycle. For capital projects, requested grants should range between $200,000 and $2 million per project. For planning projects, requested grants should range between $50,000 and $400,000 per project. The sum of funds requested by any jurisdiction in all their applications may not exceed the total funds available for the current program funding cycle.

Key Objectives:
- The projects should be “ready-to-go” and serve as catalysts for further smart growth development.
- The projects should influence land development by improving the public realm and encouraging private smart growth projects that, in combination, create great places.
- The projects should contribute to the reduction of greenhouse gases by encouraging travel by means other than private automobile. In particular the projects should support public transit usage and be located in areas served by transit, and by improving access to transit.
- The projects should support housing development.
- The projects should provide good examples of smart growth in a variety of settings in the region.
Eligible Activities

Eligible planning projects are those that update land use plans to qualify “Potential” Smart Growth Opportunity Areas as “Existing/Planned,” and other planning activities that facilitate smart growth. These planning projects must:

→ encourage transit, pedestrian, and bicycle trips;
→ support a community’s larger infill development or revitalization effort;
→ improve internal mobility, and
→ enhance sense of place.

Project activities eligible for planning grant funding include but are not limited to:

1. **Comprehensive planning efforts such as:**
   → specific area plans or community plans
   → amendments to general plans or specific plans

   OR

2. **Smaller-scale neighborhood planning activities such as:**
   → traffic calming or mobility plans
   → feasibility studies for future capital improvements
   → parking management plans/districts
   → form-based codes or design guidelines
   → planning efforts required to make smart growth zoning changes

Priority will be given to those planning efforts that will result in or allow for administrative or expedited approval of smart growth development projects. Planning projects must start within one year of grant award and must be complete within two years of grant award.

**Eligible Expenses:** Planning grant funds can be used to pay for professional services and project management as required by the planning effort.

The program will fund only project-related expenses incurred subsequent to the execution of a grant agreement between SANDAG and the grant recipient. Expenses incurred prior to that, or expenses for which the grant recipient had a prior contractual obligation will not be reimbursed. Projects that are already underway may be eligible to apply, only if the application proposes expanding the scope of work for the existing project by adding work elements not previously included in the original project budget.

Where a local agency proposes in-kind contributions as matching funds for the project, those local expenses will not be reimbursed. Only local agency staff expenses directly related to the project are eligible as in-kind. However, an overhead rate of up to ten percent may be included in the local staff costs.

**Maximum SANDAG Participation:** SANDAG will reimburse expenses up to the amount actually expended for the project, less the percentage proposed for matching funds in the application and agreed to in the grant agreement. In the event of project cost overruns, SANDAG will not pay more than the original amount specified in the grant agreement.

**Who Will Score The Projects?**

Projects will be scored by an evaluation panel that consists of the following members:

→ Two members of SANDAG staff
→ One member from the Regional Planning Technical Working Group (TWG)
→ One member from the Cities/County Transportation Advisory Committee (CTAC)
→ Two academic professionals from local colleges or universities with expertise in the fields of planning and design
→ One member from the San Diego Council of Design Professionals

The panel will include individuals with knowledge of smart growth design principles and its components. Panel members must not represent local jurisdictions that have submitted projects for funding under the current cycle. Academic or private sector panel members must not have had prior involvement in any of the submitted projects, nor may they receive compensation for work on any of the funded projects in the future.
Project Eligibility Criteria for Planning Grants

A. Consistency with TransNet Ordinance
   The project must be eligible under the TransNet Smart Growth Incentive Program Guidelines. Check with the SANDAG staff contacts listed on page ii if you have questions regarding eligibility.

B. Smart Growth Opportunity Area Designation
   Capital projects must be located within an Existing/Planned Smart Growth Opportunity Area, as designated on the Smart Growth Concept Map.

   Planning projects must be located in Smart Growth Opportunity Areas identified as either “Existing/Planned” or “Potential” except for project feasibility studies leading directly to a capital improvement project. Capital project feasibility studies will only be considered in “Existing/Planned” Smart Growth Opportunity Areas.

   Please refer to the Smart Growth Concept Map Site Descriptions or the Interactive Web-based Smart Growth Concept Map (http://www.sandag.org/smartgrowth) to determine location within a designated Smart Growth Opportunity Area.

C. Regional Housing Needs Assessment (RHNA)/SANDAG Board Policy No.0 33 Compliance
   The applicant must have provided documentation to show compliance with SANDAG Board Policy No. 033 (see http://www.sandag.org/smartgrowth).

D. Local Funding Commitment and Authorization
   Attach a copy of the resolution or minute order passed by the local city council or governing board that authorizes submittal of the application, confirms that the project is consistent with the existing local plan, and committing to allocate the resources necessary to implement and complete the proposed activities and outcomes within the schedule identified in the project application. See page 17, Sample Resolution.
Smart Growth Incentive Program
Planning Project Evaluation Criteria

1. Relation of Proposed Planning Area to Regional Transit (weight factor: 3, maximum points: 15, 7.5%)
   Transit Infrastructure and Service within Smart Growth Opportunity Area (SGOA)
   a. SGOAs with existing regional or corridor transit infrastructure (5 points)
   b. SGOAs with programmed regional or corridor transit infrastructure or existing high frequency local transit infrastructure and service (3 points)
   c. SGOAs with planned regional or corridor transit infrastructure, or programmed or planned high frequency local transit infrastructure and service (1 point)

   Note: Rural Villages would not be scored on this criterion because the place type does not require transit service. Consequently, Rural Village scores would be normalized to the total 200 points available to other place types. The following criteria will be scored on a 5-point scale as follows:
   5=excellent, 4=very good, 3=good, 2=adequate (some deficiencies), 1=marginal benefit, 0=no benefit.

   Guidance on how to apply the criteria to applications will be provided for the evaluation panel in the program guidelines.

2. Development Potential of Proposed Planning Effort Area (weight factor: 4, maximum points: 20, 10%)
   Evidence of opportunities to develop smart growth plans or projects in the proposed planning area: Can the area appropriately accommodate smart growth? Is there land available for redevelopment or rezoning? Would the existing urban form support smart growth development? How well does the proposed planning effort support development at or above the intensity of use targets for the area’s smart growth place type?

3. Planning Project Objectives (weight factor: 3, maximum points: 20, 10%)
   How well do the proposed project objectives support smart growth development in the project area? Would the plan result in development that increases transportation and housing choices?

4. Proposed Method of Meeting Project Objectives (weight factor: 5, maximum points: 30, 15%)
   How does the proposed project plan to accomplish stated objectives? How well does the proposed project scope of work facilitate meeting project objectives? Does the scope of work include significant public outreach?

5. Implementation (weight factor: 5, maximum points: 35, 17.5%)
   Will the proposed planning process lead to timely change in the project area? Is the planning process ready to go? Will it result in regulatory mechanisms that facilitate smart growth or lead directly to an implementable development or capital project? In particular, is a plan is in place, or will the project develop a plan that will facilitate smart growth development through a master EIR or other mechanism that allows for administrative approval of development projects? Does the plan area include significant environmental concerns that may delay or prevent successful implementation of the plan?

6. Evidence of Local Commitment and Community Support (weight factor: 4, maximum points: 10, 5%)
   How has the jurisdiction or agency demonstrated a commitment to implement smart growth? This commitment may be demonstrated through existing ordinances, policies, or incentives. Is the proposed planning project supported by the community? How will the public participation process help develop consensus for smart growth?

7. Matching Funds (up to 20 points, 10%)
   The project will receive points in proportion to the percentage of proposed matching funds to total project cost.

8. Percentage of Lower Income Housing Units per RHNA (up to 50 points, 25%)
   Up to 25 percent of total allowable points, based on amount of affordable housing produced as a percentage of the agency’s annualized affordable housing target.

Total points available equal 200
Project Implementation and Oversight Requirements

Planning Grants

1. *Contact Information.* Grantee must provide SANDAG with a staff contact list that identifies its multi-department project development team, including staff involved in planning, traffic engineering, electrical, landscaping, project management, and compliance with SANDAG funding requirements. Grantee must provide SANDAG with updated contact information in a timely manner if there are any changes to staff assigned to project development team.

2. *Stakeholder and Community Meetings.* Grantee must provide SANDAG with advance notice (preferably within two weeks) and agendas of all stakeholder and community meetings, and a copy of minutes following the meeting. SANDAG staff may attend any meetings as appropriate.

3. *Request for Proposals.* Grantee must submit consultant Request for Proposals to SANDAG staff for review and comment.

4. *Quarterly Reports.* Grantee must submit quarterly reports to SANDAG, detailing accomplishments in the quarter, anticipated progress next quarter, pending issues and actions toward resolution, and status of budget and schedule.

5. *Semi-annual Reviews.* SANDAG staff will meet individually with grantees every six months to assess progress. If SANDAG staff is satisfied with grantee progress based on quarterly reports and other contact with grantee, a meeting at any six-month mark may be deemed unnecessary by SANDAG staff.
1. Project Milestone and Completion Deadlines

1.1. This policy applies to all Smart Growth Incentive Program grant funds, whether from TransNet or another source. By signing a grant agreement for the Smart Growth Incentive Program, grant recipients agree to the following project delivery objectives.

1.1.1. Capital Grants. The project must be completed according to the schedule provided in the grant agreement, but at the latest, a construction contract must be awarded within two years following execution of the grant agreement, and construction must be completed within eighteen months following award of the construction contract.

1.1.2. Planning Grants. The project must be completed according to the schedule provided in the grant agreement, but at the latest, a consultant contract must be awarded within one year following execution of the grant agreement, and the planning project must be complete within two years following award of the consultant contract.

Failure to meet the above deadlines may result in revocation of all grant funds not already expended.

1.2. Grant funds made available as a result of this process may be awarded to the next project on the recommended project priority list from the most recent project selection process, or they may be added to the funds available for the next project funding cycle, at SANDAG’s discretion. Any project that loses funding due to failure to meet the deadlines specified in this policy may be resubmitted to compete for funding in a future call for projects.

2. Project Milestone and Completion Deadlines

2.1. Grant recipients may receive extensions on their project schedules of up to one year for good cause. Extensions of up to twelve months aggregate that would not cause the project to miss a deadline in Sections 1.1.1 or 1.1.2 may be approved by the SANDAG Program Manager for the Smart Growth Incentive Program. Extensions beyond twelve months aggregate or that would cause the project to miss a deadline in Sections 1.1.1 or 1.1.2 must be approved by the Regional Planning Committee.

For an extension to be granted under this Section 2, the following conditions must be met:

2.1.1. For extension requests of up to six months, the grant recipient must request the extension in writing to the SANDAG Program Manager at least two weeks prior to the earliest project schedule milestone deadline for which an extension is being requested.

2.1.2. For extension requests that will cause one or more project milestones to be delayed more than six months, but less than twelve months aggregate, the grant recipient must request an extension in writing to the SANDAG Program Manager at least six weeks prior to the earliest project schedule milestone deadline for which an extension is being requested.

2.1.3. The project sponsor seeking the extension must document previous efforts undertaken to maintain the project schedule, the reasons for the delay, and why they were unavoidable, and demonstrate an ability to succeed in the extended time frame.

2.1.4. If the Program Manager denies an extension request under this Section 2, the project sponsor may appeal within ten business days of receiving the Program Manager’s response to the Regional Planning Committee.

2.1.5. Extension requests that are rejected by the Regional Planning Committee will result in termination of the grant agreement and obligation by the project sponsor to return to SANDAG any unexpended funds. Unexpended funds are funds for project costs not incurred prior to rejection of the extension request by the Regional Planning Committee.

3. Project Delays and Extensions of up to One Year

3.1. Requests for extensions beyond one year or that will cause a project to miss a deadline in Sections 1.1.1 or 1.1.2 (including those projects that were already granted extensions by the SANDAG Program Manager and are again falling behind schedule) will be considered by the Regional Planning Committee. The Regional Planning Committee will only grant an extension under this Section 3 for extenuating conditions beyond the control of the project sponsor, defined as follows:
3.1.1. Capital Grants

3.1.1.1. Environmental. An extension may be granted when, during the environmental review process, the project sponsor discovers heretofore unknown sites (e.g., archeological, endangered species) that require additional investigation and mitigation efforts. The project sponsor must demonstrate that the discovery is new and unforeseen.

3.1.1.2. Right-of-Way. Extensions for delays necessary to complete right of way acquisition may be granted only when right-of-way needs are identified that could not have been foreseen at the time the grant agreement was signed.

3.1.1.3. Permitting. Delays associated with obtaining permits from external agencies may justify an extension when the project sponsor can demonstrate that every effort has been made to obtain the necessary permits and that the delay is wholly due to the permitting agency.

3.1.1.4. Construction Schedule. Extensions may be granted when unavoidable construction delays create a conflict with restrictions on construction during certain times of the year (for instance, to avoid nesting season for endangered species).

3.1.1.5. Litigation. Extensions may be granted when a lawsuit has been filed concerning the project being funded.

3.1.1.6. Other. Extensions may be granted due to changes in federal/state policies or laws that can be shown to directly affect the project schedule.

3.1.2. Planning Grants

3.1.2.1. Changed Circumstances. An extension may be granted for a planning project when circumstances not within the control of the grant recipient, such as an action by an outside agency, require a change in the scope of work for the project.

3.2. The grant recipient shall make its request directly to the Regional Planning Committee, providing a detailed justification for the requested extension, including a revised project schedule and work plan, at least six weeks prior to the earliest project schedule milestone deadline, or deadline in Sections 1.1.1 or 1.1.2, for which an extension is being requested.

3.3. Extension requests that are rejected by the Regional Planning Committee will result in termination of the grant agreement and obligation by the project sponsor to return to SANDAG any unexpended funds. Unexpended funds are funds for project costs not incurred prior to rejection of the extension request.
Application Checklist

☐ Eight hard copies and one CD of the complete SGIP application (including all attachments)
☐ Completed application form
☐ Resolution or minute order authorizing the application
☐ Vicinity maps showing plan area, land developments related to the projects, and local/regional street, bicycle, transit, and highway facilities within and near the project area
☐ Documentation of support for the project from community groups or individuals (recommended but not required)
☐ Aerial photo and other photographs depicting existing conditions
☐ Use-it-or-Lose-it Policy and Program Implementation and Oversight Requirements have been read

Person Authorized to Submit Application:

I certify that I have reviewed the TransNet Smart Growth Incentive Program Guidelines and the information submitted in this application is accurate and in accordance with these guidelines.

Name  Title

Signature  Date

A copy of the SGIP application in Microsoft Word format may be downloaded from the SANDAG Web site at www.sandag.org/smartgrowth.

This application must be completed in full for the project to be considered for funding.
Project Summary
This project summary may not exceed one page in length.

Project Title: Insert Text

Exact Project Location: Insert Text
(i.e. University Avenue between Georgia Street and Boundary Street, or the intersection of Washington Street and Goldfinch Street)

Project Description: In one paragraph, briefly describe the project goals, location, scope, and elements to be funded by the SGIP capital funds. Insert Text

SGIP Funds Request: $Insert Text
(may not exceed $2,000,000)

Matching Funds: $Insert Text

Total Project Cost: $Insert Text
SGIP Funds + Matching Funds

Sponsoring Jurisdiction: Insert Text

Primary Contact Person: Insert Text

Title: Insert Text

Street Address: Insert Text

City and Zip Code: Insert Text

Phone: Insert Text  Fax: Insert Text

E-mail Address: Insert Text

Other Project Partners: Insert Text

Smart Growth Opportunity Area Identifier: Insert Text
(i.e. CV 3 Palomar Gateway at Palomar Street and Industrial Boulevard; see http://www.sandag.org/smartgrowth to confirm location)
Project Description

The following information is required to evaluate your application based upon the Planning Project Evaluation Criteria (see page 18 of the Program Guidelines).

Please provide a description of the proposed project that addresses the following; please limit your description to one page:

- Project setting
- Project objectives
- Relationship of project to existing and planned land uses and transportation facilities in the project area

In addition, please attach one or more maps of the plan area that identify:

- The location(s) of the project
- Land development projects related to the project
- Any regionally significant transit, highway, and bicycle facilities in the project area; for transit facilities, indicate transit stops, routes, or stations.

You also are encouraged to attach:

- A site plan and typical cross sections depicting project-level detail, if applicable, not to exceed 11 x 17 inches
- Documentation of support for the plan from community groups
- Aerial photo and other photographs depicting existing conditions

Please ensure that all graphic materials submitted are legible.

1. Development Potential of Proposed Planning Effort Area, 1 page max.

   Please describe the smart growth development potential of the proposed planning area. Describe how the existing setting will facilitate future smart growth development, specifically in terms of:

   → Available land and/or right-of-way
   → Existing urban form to support smart growth
   → Proposed densities relative to the area’s smart growth place type
   → Any other features that make this location a good area for smart growth development

2. Project Objectives, 1 page max.

   In the space below, please describe the objectives of the proposed planning effort, and outline how they will result in development and/or transportation infrastructure that will support smart growth and increase housing and transportation choices. Specific objectives relating to area transit facilities or access, existing or proposed bicycle facilities, and proposed enhancements to the pedestrian environment should be addressed in this section as well.

3. Proposed Method of Meeting Project Objectives, 2 pages max.

   In the space below, please outline the scope of work for the proposed planning effort, and describe how it will meet the objectives listed above. Please describe the specific deliverables that will be developed (i.e. market demand analysis, detailed land use alternatives, form-based codes, parking management strategy, area-specific design standards, etc.), and how the public will be involved. Detail should be provided describing how opportunities for public participation will be publicized and to which groups.
4. **Implementation, ½ page max.**

Please list the steps required to initiate the planning process and the implementation mechanisms that will result from this planning effort. The applicant should specify if the plan will result in specific regulatory mechanisms to facilitate smart growth, such as a master plan or EIR, or other mechanism that allows for administrative approval of development projects. Otherwise, the applicant should describe what changes will be enacted as a result of the planning effort. Finally, the applicant should identify any potential significant obstacles to successful implementation, including but not limited to cultural or environmental concerns, and how they may be addressed and incorporated into the planning effort.

5. **Evidence of Local Commitment and Community Support, 1 page max.**

Please describe:

a. How the jurisdiction has demonstrated a commitment to implement smart growth, based on existing plans, policies, incentives, ordinances, or approved smart growth projects.

b. The extent of community support for the proposed planning effort.

6. **Matching Funds**

In the table below, please list the sources and amounts of any and all approved matching funds. Matching funds may include in-kind staff costs associated with project oversight, up to 10 percent of the total project cost.

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**Scope of Work, 1 page max**

In this section, outline the scope of work for the proposed planning effort. The scope of work should be detailed in terms of tasks, and deliverables should be specified for each task. Specify the frequency and form of the methods used to solicit community participation (i.e. 3 workshops, a design charrette, etc.) Please note that if this project is funded, this scope of work will be added to the grant agreement and the grantee will be held to this scope of work for the purpose of project oversight.

*Example:*
Project Schedule

In this section, state anticipated completion dates for the project deliverables listed in the scope of work above. Please note that if this project is funded, this scope of work will be added to the grant agreement and the grantee will be held to this scope of work for the purpose of project oversight.

Project Budget

The project budget should provide costs for the tasks outlined above in the Scope of Work.

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Project Revenues

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Maximum Amount of SANDAG Participation: [TransNet Total/Project Total]
RESOLUTION NO. Insert Text

AUTHORIZING THE FILING OF AN APPLICATION
FOR SMART GROWTH INCENTIVE PROGRAM FUNDS THROUGH
THE SAN DIEGO ASSOCIATION OF GOVERNMENTS
FOR PROJECT NAME,
COMMITTING THE NECESSARY LOCAL MATCH FOR THE PROJECT(S),
AND STATING THE ASSURANCE OF
NAME OF ORGANIZATION
TO COMPLETE THE PROJECT

WHERAS, $10 million of TransNet Smart Growth Incentive Program (SGIP) funds are available to local jurisdictions in Fiscal Years 2009-2010; and

WHERAS, Name Of Organization wishes to receive $Insert Text in SGIP funds for the following project: Project Name; and

WHERAS, that the sponsor understands that the TransNet Smart Growth Incentive Program funding is fixed at the programmed amount, and therefore any cost increase cannot be expected to be funded through the SGIP program; and

WHERAS, that the sponsor understands that the TransNet funding through the SGIP program shall not be used to replace other private developer funding that has been or will be committed for any project; and

NOW, THEREFORE, BE IT RESOLVED by Governing Board Name that Name Of Organization is authorized to submit an application to the San Diego Association of Governments (SANDAG) for SGIP funding in the amount of $Insert Text for Project Name; and

BE IT FURTHER RESOLVED that a copy of this resolution will be transmitted to SANDAG.
How Will Projects Be Evaluated?

There are two main components to the evaluation process: screening for eligibility and project evaluation. The eligibility criteria screen projects to ensure they meet basic program requirements. SANDAG staff will review all applications to determine eligibility. A request for reconsideration of a project rejected as ineligible must be made in writing to the SGIP Program Manager within one week of receiving notice of that determination.

Once a project has passed the eligibility screening, it will be scored based on the project evaluation criteria for its project type. Because the planning activities and capital improvements are very different, each will be evaluated under its own set of criteria. The eligibility and project evaluation criteria are discussed in more detail below.

Section 1: Eligibility Criteria for Capital and Planning Projects

Project Eligibility Criteria are primarily used to ensure that the proposed project may be funded under the TransNet Extension Ordinance.

1. Consistency with TransNet Ordinance
   The project must be eligible under the TransNet program. The TransNet Extension Ordinance defines the SGIP broadly. Projects can include “a broad array of transportation-related infrastructure improvements that will assist local agencies in better integrating transportation and land use, such as enhancements to streets and public places, funding of infrastructure needed to support development in smart growth opportunity areas consistent with the Regional Comprehensive Plan, and community planning efforts related to smart growth and improved land use/transportation coordination.” “Transportation-related infrastructure” can include public infrastructure that reduces vehicle travel by better connecting where people are with where they want to go. Private infrastructure or, as specified in Section 8 of the Ordinance (Maintenance of Effort), public infrastructure that private development would otherwise be responsible to provide is not eligible.

2. Smart Growth Opportunity Area Designation
   The project must be substantially within a smart growth opportunity area on the SANDAG Smart Growth Concept Map. Proposed capital projects and capital project feasibility studies must be in areas designated as “Existing/Planned” on the map. See http://www.sandag.org/smartgrowth to confirm location.

3. Regional Housing Needs Assessment (RHNA)/SANDAG Board Policy No. 033 Compliance
   Eligible applicants include cities and the County of San Diego. Applicants must have an adopted housing element that has been found in compliance with state law. In addition, they must have submitted their annual report to SANDAG regarding actual housing unit permits by income category.

4. Local Funding Commitment and Authorization
   The application must include a resolution or minute order from City Council or County Board of Supervisors authorizing the application, and committing to allocate the resources necessary to implement and complete the proposed activities and outcomes within the schedule identified in the project application. See page 17, Sample Resolution. The resolution from the Board or Council may be submitted after the application deadline, provided it is received before the project evaluation panel makes its recommendation on project priorities.
Section 2: Planning Project Evaluation Criteria

A. Relation of Proposed Planning Area to Regional Transit.
This criterion will be scored by SANDAG staff using current SANDAG transportation databases.

B. Development Potential of Proposed Planning Effort Area.
The applicant must be able to demonstrate that the proposed planning effort will take place in a setting that can accommodate smart growth development or redevelopment and capital improvements, as evidenced by available land and/or right-of-way. Furthermore, the existing or proposed urban form of the area should be conducive to smart growth, as measured by elements such as compact development, internal street connectivity, and mix of uses. Higher scoring projects will clearly identify land available for development or redevelopment, available land and/or right-of-way for capital improvements, and demonstrate that the existing urban form is conducive to smart growth development. Lower scoring projects will identify minimal land available for development, may not include capital improvements, and will require significant changes to the urban form in order to accommodate smart growth.

C. Planning Project Objectives.
The planning project objectives should clearly support smart growth development in the project area. Exemplary projects will propose a plan that will lead to one or more of the following results; the following list provides examples but should not exclude results that could be achieved by a diverse array of planning project types.

a. Zoning or other plan changes necessary for appropriate density and mix of uses to effectively accommodate smart growth development;

b. Improvements to transit station areas and/or connections to public transit;

c. Increased transportation options and improves direct pedestrian or bicycle access to a commercial core or transit station/corridor;

d. Increased housing supply within Smart Growth Opportunity Areas and transit station areas, particularly affordable housing for low-income residents, at densities that meet or exceed those prescribed for the relevant place type;

e. Increased employment within Smart Growth Opportunity Areas and/or locates key services and retail within Smart Growth Opportunity Areas, at densities that meet or exceed those prescribed for the relevant place type;

f. Enhances the look and feel of the community and fosters a strong sense of place through upgrades to the physical environment, and cohesive design of streets, buildings, and public spaces;

g. Addresses other mobility/accessibility needs identified by the community, such as security around transit facilities, reducing pedestrian/bicycle injuries and fatalities, and improving access for specific populations such as the elderly or disabled.

D. Proposed Method of Meeting Project Objectives.
The scope of work and resulting deliverables should effectively meet the stated project objectives, and incorporate a comprehensive community participation process that builds consensus for smart growth development. Exemplary projects will include concrete deliverables such as:

→ A market demand analysis for housing at all affordability levels
→ Detailed land use alternatives
→ Form-based codes
→ Parking management strategy
→ Area-specific design standards

The community participation process should be substantive and target appropriate groups, including underserved populations, non-English speaking populations (if appropriate in the plan area), and community groups.

E. Implementation.
The proposed planning process should be ready to go and will ideally lead to specific regulatory mechanisms to facilitate smart growth. Exemplary
projects will demonstrate one or more of the following features:

a. The planning process is ready to go and will proceed within 6 months (or less) of TransNet Smart Growth Incentive planning grant agreement execution. Jurisdiction is prepared to see the plan through to implementation;

b. The plan area does not include significant environmental concerns that may delay or prevent successful implementation of the plan;

c. The plan will lead to an implementation action by the city council or Board that will result in tangible changes such as a general plan amendment or zoning changes if necessary, adoption of an implementation action plan, programming funds for a capital project.

d. The jurisdiction has, or will have a process in place to ensure that development proposals support, and where appropriate, implement the resulting plan.

e. A plan is in place, or the project will develop a plan that will facilitate smart growth development through a master EIR or other mechanism that allows for administrative approval of development projects.

F. Evidence of Local Commitment and Community Support.

Applications from those jurisdictions that have demonstrated the greatest commitment to smart growth implementation, and can demonstrate that the planning process has been initiated by the community or otherwise has broad-based community support, will score highest in this category. A jurisdiction’s commitment to smart growth implementation can be demonstrated through existing policies and incentives such as:

- TOD zoning or design guidelines
- Expedited permitting or fee reductions for smart growth development
- Form-based codes
- Density bonuses
- Innovative parking policies that encourage maximum efficiency in the movement of people through appropriate siting, design, pricing strategies, reduced parking requirements, or other management mechanisms

- Transportation demand management strategies
- Existing citywide affordable housing policies such as inclusionary zoning
- Sustainability policies, including green building and alternative energy policies, or sustainable business programs,
- Capital improvement program priority treatment

In addition, broad-based local support may be demonstrated by

- Evidence of community support for the planning process through public involvement in the planning process to date.
- Evidence that the process was initiated by the community and/or will respond to specific needs and known issues identified by the community.
- Support from community planning groups, business associations, and community development corporations based on letters of support and/or previous and ongoing commitments to participate in the proposed planning process.

G. Matching Funds [Subject to revision based on review by the RPC]

Points for matching funds are awarded by dividing the grant request by the total project cost as proposed in the application. The projects will be ranked based on the resulting ratio and the available 20 points distributed proportionally. The project(s) with the highest ratio receives 20 points, and the one(s) with the lowest receives one point.

H. SANDAG Board Policy No. 033 Points for Affordable Housing Production.

Under Board Policy No. 033, 25 percent of the points (50 points) will be awarded based on actual affordable housing produced (as demonstrated by building permits) within the applicant jurisdiction to the affordable housing target established by the Regional Housing Needs Assessment. The details of this computation are described in SANDAG Board Policy No. 033. This procedure is subject to change based on the periodic review of the policy by the SANDAG Board.